CHUAN HUP HOLDINGS LIMITED

ANNUAL REPORT

2015

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ABOUT US

Since its incorporation 45 years ago, Chuan Hup Holdings Limited ("Chuan Hup") has repositioned itself into an investment company with a diversified portfolio of investments in the electronics manufacturing services and property sectors, in addition to its equity investments portfolio.

The Company was founded in 1970 as a tug and barge service provider to the PSA Corporation in Singapore. It established itself as one of the leading owners and operators of marine transportation equipment to the resource industry and was listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST") in 1983. Chuan Hup then diversified its business activities into electronics manufacturing services and property development.

Its business unit in the electronics manufacturing services industry, PCI Limited ("PCI"), was listed on Sesdaq of the SGX-ST in 1992 and thereafter transferred to the Mainboard of SGX-ST in 1995. Subsequent to a mandatory conditional cash offer launched by Chuan Hup in 2011, PCI became its 76.7% subsidiary.

Chuan Hup has invested in property development projects for over a decade. As a property developer, Chuan Hup successfully launched its first residential project in Singapore, The Clementvale, in 1999. It has invested in property development projects in Australia and Philippines directly or via an equity stake. Joint venture arrangements have enabled Chuan Hup to leverage on the expertise of local business partners in these development projects overseas. Past developments have all been well received and fully sold shortly after completion. Current development projects include the Symphony City and Unison in Perth and the Signa Designer Residences in Manila.

Three floors of office space in GB Building in Singapore were acquired in 2014 to form Chuan Hup's investment property portfolio for the purpose of generating stable recurring rental income over the long term.

A part of Chuan Hup's original marine business unit that provided offshore support services to the oil and gas industry was listed as CH Offshore Ltd ("CHO") on the SGX-ST in 2003. Subsequent to a partial divestment of interests in 2005, residual interests in CHO were fully divested in 2015.

Chuan Hup will continue to maintain a prudent stance as it focuses its efforts to seek investment opportunities that will enhance returns in the short term and contribute to sustainable long-term growth in shareholder value of the Company.

CHAIRMAN'S STATEMENT

PROF. TAN CHENG HAN, S.C.

Non-Executive, Independent Director and Chairman

FY2015 FINANCIAL PERFORMANCE

Group revenue for FY2015 of USD 232.16 million was 15% above FY2014 of USD 202.61 million. Sales were recorded for 60% of Toccata Apartments which was completed in June 2015. Electronics manufacturing services revenue contribution from our subsidiary, PCI Limited ("PCI"), was 6% higher in FY2015, bolstered by the launch of new production lines amidst weak global demand.

Group profit after tax amounted to USD 39.31 million for the year, as compared to USD 19.19 million in FY2014. The exceptional level of profits achieved was attributable to a one-off gain of USD 20.97 million from a divestment of the Group's interests in the associate company, CH Offshore Ltd ("CHO"), in February 2015. Additional one-off gain of USD 5.14 million was derived from a disposal of the leasehold property situated at Jalan Ahmad Ibrahim. Profit contribution from property sales and electronics manufacturing services had increased by 55% and 38% respectively. Volatile financial markets, stemming from uncertainties in the stability of the Chinese economy, lowered market valuation of the Group's equity investments. The strengthening of US dollar during FY2015 had resulted in unrealised exchange losses on translation of monetary assets denominated in Australian and Singapore dollars.

DEVELOPMENTS IN FY2015

The Group maintained a strong financial position in FY2015. Cash and bank balances as at 30 June 2015 amounted to USD 158.49 million, of which PCI's cash and bank balances accounted for USD 41.98 million. Cash generated from the divestment of CHO amounted to USD 70.65 million. The Group expanded its property portfolio during the year with the acquisition of investment properties which comprised 3 floors of office space in GB Building, of which 2 floors have been tenanted. This was partially geared to increase the return on investment. The leasehold property situated at Pioneer Road North, Singapore, acquired by PCI during the year, will become PCI's new headquarters. During the last quarter of FY2015, PCI acquired new factory space in Batam to consolidate its operations in Batam, in addition to the fit out of a larger manufacturing facility in Kunshan, China, to accommodate a relocation of its Shanghai operations.

Development properties of USD 39.80 million as at 30 June 2015 comprised 19 remaining units of Toccata Apartments and ongoing property developments in Perth. Concerto, the final stage of Symphony City, will feature a 38-storey apartment tower that will be the tallest apartment building in East Perth. It is scheduled for completion in FY2017. Contracts had been secured for the sale of 60% of its total 227 units. Unison on Tenth, the first stage of the Unison development in Maylands, was launched during the year, and is expected to complete in FY2016. Of a total 169 units, 50% was sold. Income recognition of property sales continues to be staggered, as its timing is dependent on settlements performed, upon completion of the respective development projects.

Dividend was declared by Security Land Corporation, in which the Group has an equity stake, during the year as its retained earnings turned positive due to income generated from office rental and property sales of Signa Designer Residences Tower 1, a high-end condominium project within the Makati financial district, Philippines, which was completed during the year.

DIVIDEND

The Board is pleased to recommend a first and final tax exempt one-tier dividend of 1 SG cent and a special tax exempt one-tier dividend of 2 SG cents per ordinary share, for FY2015, amounting to a total of SGD 28.0 million. This year, we have recommended a special dividend payment in view of the exceptional level of profits achieved.

SHARE BUY BACK

After the financial year end, the Company repurchased 3,500,000 shares by way of market purchase at SGD 1.15 million (including transaction costs) under the Share Buy Back Mandate approved at the Extraordinary General Meeting on 24 October 2014. The repurchase of shares is a cost efficient mechanism to enhance shareholder value.

CORPORATE SOCIAL RESPONSIBILITY

The Group remains committed to its role as a responsible corporate citizen. During the year, we continued to contribute to the Singapore Cancer Society and to support its fund raising activities. We also continued to provide financial assistance to students by sponsoring and supporting various school projects to cater to the educational needs of these students.

LOOKING AHEAD

Volatility in financial markets will continue to impact equities' valuation as investor sentiments are likely to be affected by uncertainties in the timing of interest rate adjustments, exchange rate movements, and China's economic policies. While a cyclical downturn of the Australian resource sector has depressed investor confidence, the low interest rate environment will continue to provide support for demand in Perth properties by owner occupiers and investors.

IN APPRECIATION

On behalf of the Board, I would like to commend the Management team and staff for their hard work and dedication. I would like to thank my fellow Directors for their invaluable guidance and contributions. I would also like to acknowledge and express my appreciation to our business partners and loyal shareholders for their continued support and trust in Chuan Hup.

PROF. TAN CHENG HAN, S.C.
Non-Executive Chairman
14 September 2015

OUR INVESTMENTS

OUR INVESTMENTS

Our core investment portfolio comprises quality equity investments that we intend to hold for the long term. These are companies that have demonstrated sound business models, professional management teams with a strong culture of integrity, the capacity for sustainable growth and a track record of delivering good dividend yield. As a shareholder, we rely on the independent governance of respective boards and management teams in their commercial decisions on strategic matters and day-to-day business operations. We believe in maintaining close ties with these companies, through effective communication, to share an alignment of our common goal of achieving higher returns for our shareholders.

We divested our entire shareholding interest of 24.7% in CH Offshore Limited ("CHO") during FY2015, in acceptance of the voluntary conditional cash offer made by a subsidiary of Falcon Energy Group Limited. The offer provided an opportunity for us to realise our remaining stake in CHO at a premium to its investment cost. Sale proceeds of SGD 95.668 million derived from the disposal would be applied to investment opportunities that further enhance shareholder value in the long term.

i. Electronics Manufacturing Services

Chuan Hup has been a substantial shareholder of PCI Limited ("PCI") for many years. PCI provides complete manufacturing supply chain services to leading global technology companies. It aims to value add in the services offered for each point of the manufacturing outsourcing cycle, which includes design, manufacturing engineering, material sourcing and procurement, assembly, test and logistics. PCI is engaged in the manufacturing of printed circuit board assembly, user interface panel and complete box-build projects.

PCI's ISO certificates for its Singapore, Batam and Shanghai operations attest to its uncompromising commitment towards meeting the exacting quality standards of its customers. PCI has been awarded the Singapore Quality Class certification by SPRING Singapore, a recognition given under the Business Excellence Programme. Close interaction is maintained between its fully equipped design centres in Singapore and Philippines and its customers to support the various stages of new products.

With more than thirty years of experience, PCI seeks to support its customers over the long term by ensuring that it understands and caters to each customer's technological and supply chain needs. PCI has also successfully expanded into the warehousing and logistics business in 2012.

PCI was listed on the Sesdaq of the SGX-ST in 1992 and thereafter transferred to the Mainboard of the SGX-ST in 1995. Subsequent to a mandatory conditional cash offer made in 2011, PCI became our subsidiary. Our shareholding currently stands at 76.7%.

ii. Properties

Finbar Group Limited

We are a substantial shareholder of Finbar Group Limited ("Finbar"), an Australian property development company listed on the Australian Stock Exchange since 1995. As at 14 September 2015, our shareholding interest amounts to 18.0%.

Finbar's core business lies in the development of medium to high density residential apartments and commercial property within Western Australia, where it carries out development projects in its own right or through incorporated special purpose entities and joint venture companies, in which Finbar directly or indirectly holds interests in project profitability and earns project management fees. It has also retained interests in commercial space in Perth metropolitan and its Pilbara development to generate recurring investment income which supplements core property development income.

Finbar's business model involves the acquisition of suitable development land either directly or by way of forming joint ventures, where equity partners are sought to allow Finbar to leverage into larger redevelopment projects to take advantage of the benefits of economies of scale and to spread project risk.

Building on its reputation as Western Australia's leading and most reliable apartment developer, Finbar remains focused in its commitment to create better lifestyle for its residents through the prime location and quality of its affordable inner city projects. A trade mark characteristic of Finbar developments is the resort-style facilities, latest quality amenities and utmost convenience. While confidence in the Australian economy remained subdued due to the slowdown in the resource sector, support for Finbar's developments remained strong, underpinned by continuing growth in state population and low interest rate environment. Finbar received the 2014 Urban Development Institute of Australia awards for the High Density Development and Urban Renewal categories. Finbar has won the High Density Development award for three consecutive years. It reached the 4000+ apartment milestone in 2014.

Finbar is well-positioned to continue taking on larger residential projects.

Symphony City, East Perth, Western Australia

We entered into a joint venture with Finbar in 2009 to tap on its property development expertise to redevelop our property, the former Australian Broadcasting Corporation ("ABC") site, located in East Perth, Western Australia. Symphony City is being launched in 3 stages – Adagio, Toccata, and Concerto. Adagio and Toccata comprise two luxury residential apartment towers with panoramic views of the Swan River. Concerto, situated along Adelaide Terrace, will integrate former ABC buildings to preserve the heritage significance of this site. Within easy reach of Perth CBD, high standards of city living lifestyle can be expected at Symphony City.

Adagio Apartments was completed in June 2013 and had been fully sold. Settlement of the last apartment unit took place in December 2014. Toccata, a 21-storey tower comprising 45 luxury apartments and 2 commercial units, was completed in June 2015. Sales of 83% were achieved to-date.

Concerto, set to be the tallest building in East Perth, is the final stage of the Symphony City development. It will comprise two distinct buildings, Concerto Tower and Concerto Heritage. The 38-storey Concerto Tower has a total of 207 two and three bedroom apartments and 2 penthouses with panoramic views. Concerto Heritage offers 17 New York-style studio, one and two bedroom apartments within a beautifully refurbished heritage building which was formerly the ABC's administrative building. Sales contracts have been signed for 60% of the units. Completion is scheduled for FY2017.

Earnings generated from these projects are recorded after physical completion and upon settlement or physical possession of apartments sold.

Unison, Maylands, Western Australia

This is a development venture with Finbar which will be launched in 2 stages, Unison on Tenth and Unison on Kennedy and which are scheduled for completion in FY2016 and FY2018 respectively. The site is about 5 kilometres from Perth CBD, well located in a trendy suburb, positioned near the Maylands train station and in close proximity to a vibrant café strip and shopping precinct. This development will feature 3-storey walk-up apartments and 10-storey apartment blocks with resort style facilities. The entire Unison development will comprise a total of 347 one, two and three bedroom apartment units and 4 commercial lots. About 50% of Unison on Tenth's 169 apartment units have been sold since its launch in September 2014. Construction of Unison on Tenth commenced in January 2015.

Office units in GB Building, Cecil Street, Singapore

Leasehold strata-titled office space, comprising the 20th to 22nd floors of GB Building at Cecil Street, with a total area of 1,492 square metres, was acquired in FY2015. It is situated in the heart of Singapore's Central Business District. The acquisition is partially geared to maximise our return on investment. This investment is in keeping with our long-term investment strategy to build upon our portfolio to achieve a sustainable and consistent level of earnings.

Signa Designer Residences, Makati, Manila, Philippines

We have an equity stake of 32.52% in Security Land Corporation ("SLC"), a property investment and development company in the Philippines, recorded as an available-for-sale investment. SLC has declared a maiden dividend of Pesos 2.5 per ordinary share. SLC owns a property along Ayala Avenue, in the prime commercial and business district in Makati, Manila. SLC has entered into a joint venture with Robinsons Land Corporation ("RLC"), one of Philippines' leading real estate companies which is listed on the Philippines Stock Exchange. SLC has contributed the property as equity to the joint venture, while RLC is responsible for the financing and construction of the project, Signa Designer Residences.

Signa Designer Residences, developed in collaboration with three prominent Filipino architect and designers, will feature two high-end 29-storey residential towers with a total of 660 apartments units. Construction of Tower 1 has been completed with 95% of the apartments sold. Tower 2 is 58% sold and scheduled for completion in October 2016. The prime location and high quality of this development has attracted the interest of established retailers, such as Starbucks, Bait's, Sabao and Sprout, to take up commercial space within the premises. Some commercial space has been retained by SLC to generate ongoing rental income.

The adjacent office building, wholly owned by SLC, continues to be fully leased by high quality tenants. Rental yield is enhanced by the award of PEZA Registration Certificate which allows export oriented tenants to be entitled to tax incentives and duty free import of equipment. SLC derives its earnings from office rental and its proportionate share of income from sales of Signa apartment units.

DISCIPLINED INVESTMENT APPROACH

Through our prudent approach and active management of our exposures, we have built a resilient and sound portfolio that contributes to Chuan Hup's robust balance sheet. We remain committed to a disciplined selection process of our investments to ensure that growth in long-term value is not sacrificed for short-term gains. We will continue to actively manage our level of liquidity to ensure that we are well-positioned to seize investment opportunities as and when they arise.

BOARD OF DIRECTORS

PROF. TAN CHENG HAN, S.C.

Non-Executive, Independent Director
and Chairman

Prof. Tan Cheng Han, S.C. is a Non-Executive, Independent Director and the Chairman of Chuan Hup. He was appointed as a Director on 1 July 2001 and as Non-Executive Chairman on 21 October 2011. He was last re-elected on 25 October 2013 and will be due for re-election at the coming Annual General Meeting ("AGM")

Prof. Tan is a Professor of Law at the National University of Singapore ("NUS"). He was Dean of the NUS Faculty of Law from 1 May 2001 to 31 December 2011. Prior to joining NUS in 1996, he was a Partner in the Singapore law firm of Drew & Napier. He is currently a Consultant at TSMP Law Corporation and on the panel of arbitrators for the Singapore International Arbitration Centre and the Kuala Lumpur Regional Centre for Arbitration. He was appointed to the rank of Senior Counsel in 2004 and in August 2006 he was appointed a Specialist Judge. His practice focuses principally on complex commercial disputes and he has also been appointed arbitrator in many cases.

Prof. Tan's other current appointments include being a board member of the Accounting and Corporate Regulatory Authority, Chairman of the Public Accountants Oversight Committee, Chairman of the Media Literacy Council and a Commissioner of the Competition Commission of Singapore.

Prof. Tan holds several board directorships, including at Keppel Reit Management Limited, Yamada Green Resources Limited and Global Yellow Pages Limited (where he is the Board's Deputy Chairman).

Prof. Tan obtained his Bachelor of Laws (Honours) degree from the National University of Singapore in 1987 and his Master of Laws degree from the University of Cambridge in 1990. In 2006, he was awarded the Public Administration Medal (Silver) in Singapore's 41st National Day celebrations.

MR PEH SIONG WOON TERENCE

Chief Executive Officer
and Executive Director

Mr Peh Siong Woon Terence is the Chief Executive Officer and Executive Director of Chuan Hup. He was appointed on 1 November 2005. He was last re-elected on 24 October 2014.

Mr Peh was the Deputy Financial Controller of Chuan Hup from July 2002 to October 2005. From July 2002 to September 2005, he was seconded to CH Offshore Ltd ("CHO") as Chief Financial Officer. As Chief Financial Officer, he oversaw the financial affairs of CHO. From July 2000 to June 2002, Mr Peh was the Finance Manager at Chuan Hup and was responsible for its cash management, treasury functions, account payables and banking relations. Prior to his appointment with Chuan Hup, he was a Finance Manager at PCI Limited ("PCI") and was responsible for its cash management and treasury functions. Mr Peh is also the Executive Vice Chairman of PCI.

Mr Peh was an Alternate Director to Mr Peh Kwee Chim on the Board of CHO from 1 June 2010 to 16 August 2013 and 19 December 2014 to 27 February 2015.

Mr Peh obtained his Bachelor of Commerce in Marketing degree from Curtin University of Technology, Australia in 1996 and his Master of Commerce in Finance degree from the University of New South Wales, Australia in 1997.

MR PEH KWEE CHIM

Executive Director

Mr Peh Kwee Chim is an Executive Director of Chuan Hup. He was one of the co-founders of Chuan Hup in 1970 and was appointed as Managing Director in 1984. On 1 November 2005, he resigned as Managing Director and remained on the Board as an Executive Director. He was last re-appointed on 24 October 2014 and will be due for re-appointment pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore at the coming AGM. He is a member of the Nominating Committee.

Mr Peh is also the Executive Chairman of PCI and is a member of its Nominating Committee. He has been instrumental in building up the PCI Group. Mr Peh was a Director of CHO from 1 June 2010 to 27 February 2015.

Mr Peh graduated from the University of Western Australia in 1969 with a Bachelor of Engineering (Mechanical) degree.

MDM JOANNA YOUNG SAU KWAN

Non-Executive
Independent Director

Mdm Joanna Young Sau Kwan is a Non-Executive, Independent Director of Chuan Hup. She was appointed as a Director on 21 February 2003. She was last re-appointed on 24 October 2014 and will be due for re-appointment pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore at the coming AGM. She is also the Chairman of the Audit Committee and a member of the Remuneration and Nominating Committees.

Mdm Young brings with her a wealth of experience in accounting, auditing and financial management. Mdm Young is the senior partner of her accounting firm. From 1969 to 1978, she gained extensive experience in the accounting profession during her employment with Evan Wong & Co and Turquand Youngs & Co. In 1978, she joined a garment manufacturing company taking charge of financial, administration and production duties before setting up her own practice in 1980. Mdm Young was the Honorary Auditor of the Chinese Women's Association from August 1972 to May 2015.

Mdm Young was a Non-Executive, Independent Director of CHO from 1 February 2005 to 30 March 2015 and Chairman of its Audit and Nominating Committees and a member of its Remuneration Committee.

Mdm Young studied Accountancy in Sydney Technical College and obtained her Accountancy Certificate in 1968. She was admitted to membership of the Australian Society of Accountants and the Singapore Society of Accountants in 1969. She is a Fellow Member of the Institute of Singapore Chartered Accountants, a Fellow Member of CPA Australia and an Accredited Tax Practitioner of the Singapore Institute of Accredited Tax Professionals.

MR LIM KWEE SIAH

Non-Executive Director

Mr Lim Kwee Siah is a Non-Executive Director of Chuan Hup. He was appointed to this position on 28 December 2011. He was last re-elected on 24 October 2014. Mr Lim is a member of the Audit and Remuneration Committees.

Mr Lim was also a Non-Executive Director of PCI from August 1989 to December 2011, an Executive Director of Chuan Hup from November 1989 to October 2005 and a Non-Executive, Independent Director of Scomi Marine Bhd from September 2005 to January 2011.

Mr Lim graduated from the then University of Singapore in 1976 with a Bachelor of Accountancy degree and is a Fellow Member of the Institute of Singapore Chartered Accountants.

SENIOR MANAGEMENT

MS VALERIE TAN MAY WEI

Head, Legal and Corporate Secretarial and Group Company Secretary

Ms Valerie Tan May Wei joined Chuan Hup on 15 July 1993 as Group Legal Manager and was appointed Group Company Secretary on 18 January 1994. She is responsible for all legal and secretarial matters of the Chuan Hup Group.

Prior to joining Chuan Hup, Ms Tan was Group Legal Manager and Company Secretary of Jurong Shipyard Ltd. She was Senior Legal Officer at Neptune Orient Lines Ltd prior to that. She has over 20 years of experience in legal and corporate secretarial matters.

Ms Tan is also the Company Secretary of PCI Limited ("PCI"). She was the Company Secretary of CH Offshore Ltd ("CHO") from 18 January 1994 to 29 May 2015.

Ms Tan graduated from the National University of Singapore in 1987 with a Bachelor of Law (Honours) degree.

MS LIEW NGIN MOI

Head, Finance and Administration

Ms Liew Ngin Moi joined Chuan Hup on 3 March 2008 as a Management Trainee and was appointed Senior Finance Manager on 28 September 2008. She is responsible for all accounting, financial and tax matters of the Chuan Hup Group.

Ms Liew was an accountant with CHO before joining Chuan Hup. Prior to that, she was an accountant with Medtronic International Ltd and Kao (Singapore) Pte Ltd. Ms Liew has over 17 years of experience in the accounting profession.

Ms Liew graduated from the Murdoch University, Western Australia in 1996 with a Bachelor of Commerce degree, majoring in Accounting and Finance. She was admitted to membership of CPA Australia in 1998 and the Institute of Singapore Chartered Accountants (Non-Practising) in 2010.

MR ELDON WAN

Head, Corporate Development

Mr Eldon Wan was appointed as Head, Corporate Development on 9 May 2014. He is responsible for generating and implementing strategies to improve overall corporate performance, to champion change management and to lead corporate planning to further the Company's goals. He also assists the Chief Executive Officer in evaluating and developing new business opportunities, such as investments and partnerships to ensure continual growth and profitability of the Group.

Mr Wan is concurrently Senior Vice President, Finance of PCI. He is responsible for all accounting, financial and tax matters of the PCI Group.

Mr Wan has 20 years of working experience in the finance and accounting sectors. He has cumulated industry experience in mergers and acquisitions, financial and management reporting, budgeting, tax, treasury as well as corporate governance and risk management matters. Prior to joining the Group, he was the Group Chief Financial Officer of The Straits Trading Company Limited and the Group Financial Controller of the Tecity Group.

Mr Wan graduated from the Nanyang Technological University of Singapore in 1995 with a Bachelor of Accounting degree. He is a Fellow Member of the Institute of Singapore Chartered Accountants.

MS TENG YUUN YEAN

Head, Risk Management

Ms Teng Yuun Yean joined Chuan Hup on 1 July 2010. She is responsible for monitoring the Group's financial risk exposure within its financial risk management framework, as well as other risk management and audit related projects.

Ms Teng has cumulated over 20 years of experience in accounting, finance, tax, risk management, in addition to auditing and management consulting.

Prior to joining Chuan Hup, Ms Teng was Vice President, Finance in The Straits Trading Company Limited. She was responsible for all areas of accounting, financial, risk management and tax matters in relation to its hospitality and media business units and its Australian property investments. Prior to this, Ms Teng was an auditor with Foo, Kon & Tan and Ernst & Young in Perth, where she later became a member of its management consulting team.

Ms Teng graduated with a Bachelor of Commerce degree from the University of Western Australia, where she majored in Accounting, Finance and Management. She is a Fellow Member of CPA Australia.

CORPORATE DATA AND FINANCIAL CALENDAR

BOARD OF DIRECTORS

Prof. Tan Cheng Han, S.C.
(Non-Executive, Independent Director and Chairman)

Mr Peh Siong Woon Terence
(Chief Executive Officer and Executive Director)

Mr Peh Kwee Chim
(Executive Director)

Mdm Joanna Young Sau Kwan
(Non-Executive, Independent Director)

Mr Lim Kwee Siah
(Non-Executive Director)

AUDIT COMMITTEE

Mdm Joanna Young Sau Kwan
(Chairman)

Prof. Tan Cheng Han, S.C.

Mr Lim Kwee Siah

REMUNERATION COMMITTEE

Prof. Tan Cheng Han, S.C.
(Chairman)

Mdm Joanna Young Sau Kwan

Mr Lim Kwee Siah

NOMINATING COMMITTEE

Prof. Tan Cheng Han, S.C.
(Chairman)

Mr Peh Kwee Chim

Mdm Joanna Young Sau Kwan

COMPANY SECRETARY

Ms Valerie Tan May Wei

REGISTERED OFFICE

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Facsimile: (65) 6268 1937
Website: www.chuanhup.com.sg
Email: corpsec_legal@chuanhup.com.sg

SHARE REGISTRAR

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road #02-00
Singapore 068898

AUDITOR

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583

Partner-in-Charge:
Mr Terry Wee
Appointed with effect from the financial year ended 30 June 2015

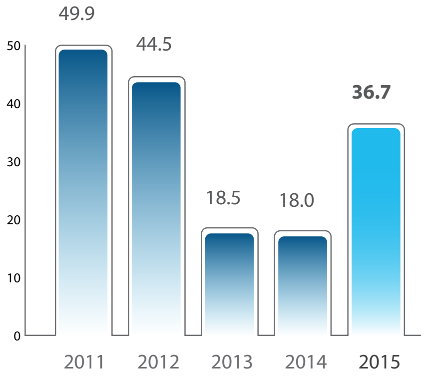
Financial Year End	30 June 2015
Announcement of First Quarter Financial Results	6 November 2014
Announcement of Half-Year Financial Results	13 February 2015
Announcement of Third Quarter Financial Results	11 May 2015
Announcement of Full Year Financial Results	14 August 2015
Dispatch of Annual Report to Shareholders	7 October 2015
Annual General Meeting	22 October 2015
Book Closure to Register Members for First and Final and Special Dividends	6 November 2015
Proposed Payment of First and Final and Special Dividends	18 November 2015

GROUP FINANCIAL HIGHLIGHTS

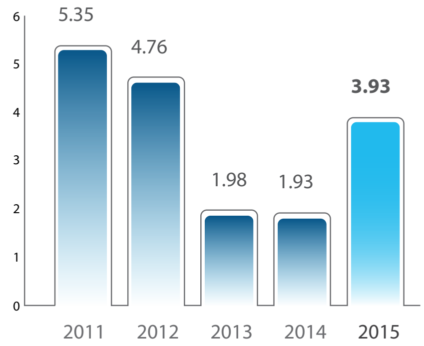
FINANCIAL YEAR ENDED 30 JUNE	2015 US$'000	2014 US$'000	2013 US$'000	2012 US$'000	2011 US$'000
INCOME STATEMENT					
Revenue					
Investment holding [(1)]	**4,841**	4,587	5,596	8,950	8,461
Electronics manufacturing services	**184,614**	174,178	178,965	234,504	42,534
Property development and rental [(1)]	**42,475**	23,588	58,895	4,576	950
Vessel management	**234**	260	510	337	227
	232,164	202,613	243,966	248,367	52,172
Profit/(Loss) After Tax					
Investment holding [(1)]	**24,537**	12,430	4,450	38,321	49,461
Electronics manufacturing services	**5,971**	4,334	3,010	7,787	1,215
Property development and rental [(1)]	**8,935**	2,644	11,812	477	193
Vessel management	**(136)**	(219)	(100)	(50)	(627)
	39,307	19,189	19,172	46,535	50,242
Profit Attributable to Equity Holders of the Company	**36,659**	18,023	18,462	44,459	49,911
BALANCE SHEET					
Non-current assets					
Property, plant and equipment	**4,303**	3,440	24,731	45,680	50,447
Prepaid lease payments	**19,902**	14,256	15,265	16,340	18,111
Investment properties	**24,386**	-	-	-	-
Associate	**-**	49,375	45,970	53,090	-
Investment securities	**58,167**	81,246	59,014	61,138	117,319
Other non-current assets	**2,387**	284	315	667	527
Current assets					
Development properties	**39,801**	39,486	15,634	-	-
Inventories	**27,193**	27,753	26,555	36,795	38,775
Other current assets	**38,696**	35,086	132,164	43,530	37,633
Investment securities	**19,402**	11,480	11,895	29,964	29,168
Cash and bank balances	**158,494**	123,127	123,615	81,606	78,556
Total Assets	**392,731**	385,533	455,158	368,810	370,536
Other current liabilities	**54,324**	50,522	140,151	63,856	62,916
Borrowings	**11,634**	-	-	-	-
Other non-current liabilities	**2,137**	2,857	2,138	406	491
Equity attributable to equity holders of the Company	**304,425**	310,471	291,161	281,920	284,277
Non-controlling interests	**20,211**	21,683	21,708	22,628	22,852
Total Equity and Liabilities	**392,731**	385,533	455,158	368,810	370,536
Per Ordinary Share					
Net tangible assets per share (US cents)	**32.61**	33.26	31.19	30.20	30.45
Earnings per share (US cents)	**3.93**	1.93	1.98	4.76	5.35
Ordinary dividend per share (SG cents)	**1.00**	1.00	1.00	1.00	1.00
Special dividend per share (SG cents)	**2.00**	-	1.00	-	-
Financial Ratios					
Dividend payout ratio (%)	**56.81**	41.49	80.06	16.52	15.02
Return on total assets (%)	**9.33**	4.67	4.06	12.05	13.47
Return on average equity (%)	**11.92**	5.99	6.44	15.70	19.26

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

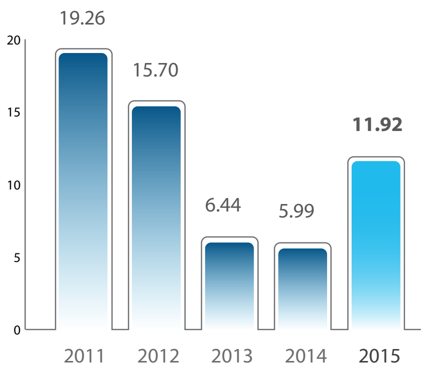
Profit attributable to Shareholders
(US$ million)



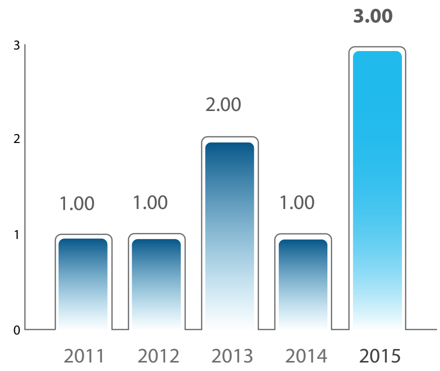
Earnings per share
(US cents)



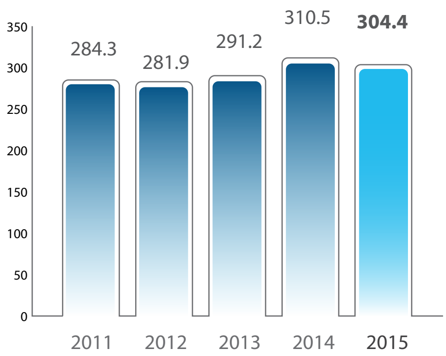
Return on average equity
(%)



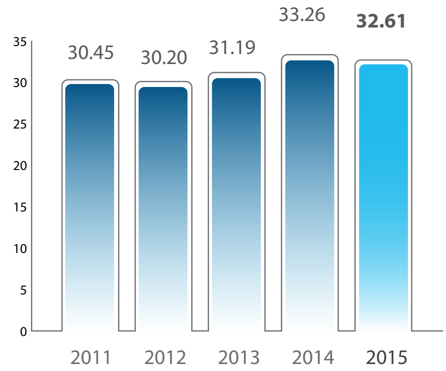
Dividend per share
(SG cents)



Shareholders' equity
(US$ million)



Net tangible assets per share
(US cents)



Chuan Hup is committed to maintaining high standards of corporate governance to ensure greater transparency and maximise long-term shareholder value.

This report describes Chuan Hup's corporate governance practices for the financial year ended 30 June 2015 with reference to the principles and guidelines of the Singapore Code of Corporate Governance 2012 (the "Code"). Where there is any material deviation from any principle of the Code, an explanation has been provided within the Report.

BOARD MATTERS

The Board's Conduct of Affairs

(Principle 1)

The Board oversees the business and affairs of the Group. It provides leadership and guidance to Management, sets strategic objectives and ensures that the necessary financial and human resources are in place for the Company to meet its objectives and reviews Management performance. The Board establishes a framework of prudent and effective controls which enables risks to be assessed and managed. The Board also sets the Company's values and standards, and ensures that obligations to its shareholders and other key stakeholders are understood and met.

The Board is responsible for the Group's overall performance objectives, key operational initiatives, financial plans and annual budget, major investments, divestments and funding proposals, quarterly and full year financial performance reviews, risk management and corporate governance practices. Each Director exercises his independent judgement to act in good faith and the best interest of the Company to enhance the long-term value of the Group to its shareholders.

The Board is supported by the Board Committees established to assist the Board in discharging its responsibilities of overseeing the Group's affairs and enhancing corporate governance. These Committees are the Audit Committee, the Remuneration Committee and the Nominating Committee.

The Board meets on a regular basis. Where necessary, additional Board meetings are held to deliberate on any ad hoc significant matters. An aggregate of 5 Board meetings were held for the financial year ended 30 June 2015. The Directors' attendance at Board meetings and meetings of the various Board Committees during the financial year ended 30 June 2015 are as follows:

BOARD MEETINGS

Directors	No. of Meetings Held	No. of Meetings Attended
Prof. Tan Cheng Han, S.C.	5	5
Mr Peh Kwee Chim	5	5
Mr Peh Siong Woon Terence	5	5
Mdm Joanna Young Sau Kwan	5	5
Mr Lim Kwee Siah	5	5

BOARD COMMITTEE MEETINGS

Directors	Audit Committee		Remuneration Committee		Nominating Committee	
	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
Prof. Tan Cheng Han, S.C.	5	5	2	2	1	1
Mr Peh Kwee Chim	-	-	-	-	1	1
Mdm Joanna Young Sau Kwan	5	5	2	2	1	1
Mr Lim Kwee Siah	5	5	2	2	-	-

The Company has in place a set of internal controls and guidelines that sets out finance authorisation and approval limits for borrowings, investments, acquisitions, disposals, capital and operating expenditures and expenses. The Board approves transactions exceeding certain threshold limits, while delegating authority for transactions below those limits to Management to facilitate operational efficiency.

Management briefs new Directors on the Company's business and strategic directions, as well as governance practices. Formal letters are issued to newly-appointed Directors upon their appointment, including details of their duties and responsibilities as Directors. As part of training for the Board, Directors are briefed either during Board and Board Committee meetings or at specially convened sessions on changes to regulations and accounting standards, as well as industry related matters. Where appropriate, Directors are sent for conferences and seminars in relevant fields. Articles and reports relevant to the Group's business are also circulated to the Directors for information.

Board Composition and Guidance
(Principle 2)

The Board currently comprises 5 Directors, 2 of whom are Non-Executive, Independent Directors, 1 of whom is a Non-Executive Director and 2 of whom are Executive Directors. The Non-Executive, Independent Directors are Prof. Tan Cheng Han, S.C. and Mdm Joanna Young Sau Kwan. The Non-Executive Director is Mr Lim Kwee Siah. The Executive Directors are Mr Peh Kwee Chim and Mr Peh Siong Woon Terence.

The Directors bring with them a broad range of expertise and experience in areas such as accounting and finance, law, business and management and industry knowledge. The diversity of the Directors' experience allows for the useful exchange of ideas and views and strategic planning experience.

The Nominating Committee reviews the independence of each Director annually, taking into account the guidance provided in the Code. The Board having taken into account the views of the Nominating Committee, considered Mdm Joanna Young Sau Kwan to be independent. The Board and the Nominating Committee have determined that Prof. Tan Cheng Han, S.C. be considered independent notwithstanding that his spouse, Ms Valerie Tan May Wei, is the Head, Legal and Corporate Secretarial and the Group Company Secretary, as Ms Tan reports to the Chief Executive Officer, and Prof. Tan abstains from discussions and decisions relating to her remuneration. In any event, the Board and the Nominating Committee consider Prof. Tan to be an Independent Director because he is a strong-minded individual who is able to exercise independent judgement with a view to the best interests of the Company at all times in the discharge of his duties as Director.

Prof. Tan and Mdm Joanna Young Sau Kwan have served as Independent Directors on the Board of the Company since their appointment in 2001 and 2003 respectively. The Board has subjected their independence to particularly rigorous review and established that despite serving as Directors for more than nine years, Prof. Tan and Mdm Young continue to demonstrate strong independence in character and judgement in the discharge of their responsibilities as Directors of the Company.

Chairman and Chief Executive Officer
(Principle 3)

Different individuals assume the Chairman and the Chief Executive Officer functions in Chuan Hup. There is a clear separation of the roles and responsibilities between the Chairman and the Chief Executive Officer. The Chairman's responsibilities include chairing the Board meetings and guiding the Board on its discussions on significant issues. The Chief Executive Officer is responsible for the day-to-day management of the business and the overall performance of the Group. The Chairman and the Chief Executive Officer are not related.

Board Membership
(Principle 4)

The Nominating Committee comprises Prof. Tan Cheng Han, S.C. (Committee Chairman), Mr Peh Kwee Chim and Mdm Joanna Young Sau Kwan, the majority of whom including the Chairman, are Non-Executive, Independent Directors.

The Nominating Committee's functions include reviewing Board succession plans for Directors, evaluating the performance of the Board, Board Committees and Directors, considering and making recommendations to the Board concerning the appointment and re-election of and determining the independence of the Directors. The role and functions of the Nominating Committee are set out in its Terms of Reference.

When selecting new Directors, the Nominating Committee takes into consideration the skills and experience required and the current composition of the Board, and strives to ensure that the Board has an appropriate balance of independent Directors as well as Directors with the right profile of expertise, skills, attributes and experience.

In evaluating a Director's contribution and performance for the purpose of re-election, the Nominating Committee takes into consideration a variety of factors such as attendance, preparedness, participation and candour.

At each Annual General Meeting ("AGM") of the Company, not less than one third of the Directors for the time being (being those who have been longest in office since their last re-election) are required to retire from office by rotation. A retiring Director is eligible for re-election by the shareholders of the Company at the AGM. Also, all newly appointed Directors during the year will hold office only until the next AGM and will be eligible for re-election. Directors above 70 years of age are subject to annual re-appointment.

Key information on the Directors is set out on pages 6 and 7 of this Annual Report.

The Nominating Committee has reviewed the contribution by each Director taking into account their listed company board representations and other principal commitments. As the Directors have given sufficient time, effort and attention to the affairs of the Company, notwithstanding their other directorships and other principal commitments, the Nominating Committee and the Board are of the view that there is no necessity to regulate the maximum number of listed company board representations that the Directors may hold.

Board Performance
(Principle 5)

The Board has implemented a process carried out by the Nominating Committee, for assessing the effectiveness of the Board as a whole, effectiveness of its Board Committees and the contribution by each individual Director to the effectiveness of the Board on an annual basis. The performance evaluation process covers a range of issues including size and composition of the Board and Board Committees, information management, decision-making, processes, risk and crisis management, communication with Senior Management and stakeholder management. The evaluation and feedback are then consolidated and presented to the Board for discussion on strengths and weaknesses to improve the effectiveness of the Board and its Committees.

Access to Information
(Principle 6)

The Directors are provided with Board papers and related materials, background or explanatory information in advance of each Board Meeting to enable them to be properly informed of matters to be discussed and/or approved, as well as ongoing reports relating to operational and financial performance of the Group. The Board has separate and independent access to Senior Management and the Company Secretary at all times. The Company Secretary also assists the Chairman by ensuring good information flows within the Board and its Committees, and between the Management and the Non-Executive Directors. The Company Secretary attends all Board Meetings, and her appointment or removal is subject to the Board's approval.

The Board also has access to independent professional advice, if necessary, at the expense of Chuan Hup.

REMUNERATION MATTERS
(Principles 7, 8 and 9)

The Remuneration Committee comprises Prof. Tan Cheng Han, S.C. (Committee Chairman), Mdm Joanna Young Sau Kwan and Mr Lim Kwee Siah, all of whom are Non-Executive and the majority of whom, including the Chairman, are Independent Directors.

The duties of the Remuneration Committee include the following:

(a) Review and recommend to the Board for endorsement, a framework of remuneration for the Board and key management personnel. The framework covers all aspect of remuneration, including but not limited to director's fees, salaries, allowances, bonuses and benefits in kind;

(b) Review and recommend to the Board for endorsement, the specific remuneration packages for each Director, the Chief Executive Officer and the key management personnel; and

(c) Review the level and mix of remuneration and benefits, policies and practices of the Company.

The role and functions of the Remuneration Committee are set out in its Terms of Reference, which set out its authority and duties.

The objective of the Group's remuneration policy is to ensure that the level and structure of the remuneration are aligned with the long-term interests and risk policies of the Company, and that the remuneration is able to attract, retain and motivate the Board to provide good stewardship of the Company and Senior Management to successfully manage the Company and Group as a whole.

The remuneration packages of the key management personnel of the Group generally comprise two components. One component is fixed in the form of a base salary. The other component is variable consisting of AWS and performance bonus. The variable portion is largely dependent on the financial performance of the Group and individual performance. The Remuneration Committee strongly supports and endorses the flexible wage system because it gives the Company more flexibility to ride through economic downturns. The Remuneration Committee has adopted net asset growth and profitability of the Group as key performance measures. This aligns remuneration with the interests of the shareholders and promotes the long-term sustainable growth of the Group.

Presently, the Company does not have any share option scheme.

For financial year ended 30 June 2015, there were no termination, retirement and post-employment benefits granted to Directors, the Chief Executive Officer and the top four key management personnel (who are not Directors or the Chief Executive Officer).

Non-Executive Directors are paid a fixed fee, taking into account the effort, time spent and responsibilities of each Non-Executive Director. The fees of Non-Executive Directors are subject to shareholders' approval at the AGM. Executive Directors do not receive any Directors' fees.

Having reviewed and considered the variable components of remuneration of the Executive Directors and key management personnel, which are moderate, the Remuneration Committee is of the view that there is no requirement to institute contractual provisions in the terms of employment to reclaim incentive components of their remuneration in exceptional circumstances of misstatement of financial results or of misconduct resulting in financial loss to the Company.

The Directors' and the Chief Executive Officer's remuneration is disclosed below in bands of US$200,000. During the financial year ended 30 June 2015, there were only four key management personnel in the Group. The remuneration of the top four key management personnel in the Group (who are not Directors or the Chief Executive Officer of the Company) is shown in bands of US$200,000. Due to the sensitivity and confidentiality of remuneration matters, the Board is of the view that it is in the best interests of the Company not to fully disclose the remuneration of each individual Director, the Chief Executive Officer and the top four key management personnel (who are not Directors or the Chief Executive Officer) and the aggregate total remuneration paid to the top four key management personnel (who are not Directors or the Chief Executive Officer).

The remuneration of Ms Valerie Tan May Wei, the spouse of Prof. Tan Cheng Han, S.C., Non-Executive Chairman, exceeded US$50,000 during FY2015 and is shown in bands of US$200,000. Due to the sensitivity and confidentiality of remuneration matters, the Board is of the view that it is in the best interests of the Company not to disclose the remuneration of Ms Tan in incremental bands of US$50,000.

REMUNERATION PAID OR ACCRUED TO DIRECTORS AND THE CHIEF EXECUTIVE OFFICER FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

Directors/ Chief Executive Officer of Company	Fixed Component[1] (%)	Variable Component[2] (%)	Directors' Fee (%)	Total Compensation (%)
US$600,000 to US$799,999				
Mr Peh Kwee Chim	54	46	-	100
Mr Peh Siong Woon Terence (Chief Executive Officer and Executive Director)	58	42	-	100
Below US$200,000				
Prof. Tan Cheng Han, S.C.	-	-	100	100
Mdm Joanna Young Sau Kwan	-	-	100	100
Mr Lim Kwee Siah	-	-	100	100

Notes:
1. Fixed component refers to base salary, allowances, benefits in kind and employer CPF.
2. Variable component refers to AWS, variable bonus and employer CPF.

REMUNERATION PAID OR ACCRUED TO THE TOP FOUR KEY MANAGEMENT PERSONNEL (WHO ARE NOT DIRECTORS OR THE CHIEF EXECUTIVE OFFICER) FOR THE FINANCIAL YEAR ENDED 30 JUNE 2015

Key Management Personnel of Company	Fixed Component[1] (%)	Variable Component[2] (%)	Total Compensation (%)
US$400,000 to US$599,999			
Eldon Wan	69	31	100
US$200,000 to US$399,999			
Liew Ngin Moi	68	32	100
Teng Yuun Yean	68	32	100
Valerie Tan May Wei	65	35	100

Notes:
1. Fixed component refers to base salary, allowances, benefits in kind and employer CPF.
2. Variable component refers to AWS, variable bonus and employer CPF.

ACCOUNTABILITY AND AUDIT

Accountability

(Principle 10)

The Board through its timely release of the Group's quarterly and full year results, aims to provide shareholders with a balanced and understandable assessment of the Group's performance, position and prospects. The Board also ensures timely and full disclosure of material corporate developments to shareholders.

Chuan Hup recognises the importance of providing the Board with a continual flow of relevant information on an accurate and timely basis in order that it may effectively discharge its duties. On a regular basis, Board members are provided with business and financial reports comparing actual performance with budget with highlights on key business indicators and major issues.

Risk Management and Internal Controls

(Principle 11)

The Board has overall responsibility for the governance of the Group's risk management and internal controls. The Board and Management of the Company are fully committed to maintaining sound risk management and internal control systems to safeguard shareholders' interests and the Group's assets.

The Board determines the Company's levels of risk tolerance and risk policies, and oversees Management in the design, implementation and monitoring of the risk management and internal control systems.

The Board has implemented an Enterprise Risk Management Framework for the identification, assessment, monitoring and reporting of significant risks. The Company maintains a risk register which identifies the material risks facing the Group and the internal controls in place to manage or mitigate those risks. Management reviews and updates the risk register regularly and updates the Board.

On an annual basis, the Group's internal audit function prepares an audit plan taking into consideration risks identified and assessed from the risk management system. This risk-based audit plan is approved by the Audit Committee and audits are conducted to assess the adequacy and effectiveness of the Group's system of internal controls in addressing financial, operational, information technology and compliance risks. In addition, material control weaknesses over financial reporting, if any, are highlighted by the external auditor in the course of the statutory audit.

All audit findings and recommendations made by the internal and external auditors are reported to the Audit Committee and significant findings are discussed at the Audit Committee meetings. Management follows up on all recommendations to ensure timely remediation of audit issues and reports the status to the Audit Committee.

The Board has received assurance from the Chief Executive Officer and the Head, Finance and Administration that:

(a) The financial records of the Group have been properly maintained and the financial statements for the year ended 30 June 2015 give a true and fair view of the Group's operations and finances; and

(b) The system of risk management and internal controls in place within the Group is adequate and effective in addressing the material risks in the Group in its current business environment including material financial, operational, compliance and information technology risks.

Based on the risk management and internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by Management and the Board Committees as well as the assurance received from the Chief Executive Officer and the Head, Finance and Administration, the Board, with the concurrence of the Audit Committee, is of the opinion that the Group's risk management systems and internal controls were adequate and effective as at 30 June 2015 to address financial, operational, compliance and information technology risks, which the Group considers relevant and material to its operations.

The Board notes that the system of risk management and internal controls established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. In this regard, the Board also notes that no system of risk management and internal controls can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

Audit Committee
(Principle 12)

The Audit Committee comprises Mdm Joanna Young Sau Kwan (Committee Chairman), Prof. Tan Cheng Han, S.C. and Mr Lim Kwee Siah, all of whom are Non-Executive, and the majority of whom, including the Chairman, are Independent Directors. Mdm Joanna Young Sau Kwan and Mr Lim Kwee Siah have accounting and related financial management expertise and experience. The Board considers Prof. Tan Chen Han, S.C. as having sufficient financial knowledge and experience to discharge his responsibilities as a member of the Committee.

The role of the Audit Committee is documented in its Terms of Reference, which define the purpose, authority and responsibilities of the Audit Committee.

The Audit Committee meets at least four times a year. The Audit Committee's duties include the following:

(a) Review with the external auditor the audit plan including the nature and scope of the audit before its commencement, their evaluation of the system of internal accounting controls, their audit report and Management's response;

(b) Review significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance. This includes review of quarterly, and annual consolidated financial statements before submission to the Board for its approval;

(c) Review the assistance given by Management to the external auditor;

(d) Review the independence and objectivity of the external auditor;

(e) Review the nature and extent of non-audit services performed by the external auditor;

(f) Examine the scope of internal audit procedures and the results of the internal audit;

(g) Review the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls, and risk management;

(h) Meet with the external and internal auditors without the presence of Management at least annually;

(i) Review the effectiveness of the Company's internal audit function and ensure that it is adequately resourced and has appropriate standing within the Company;

(j) Investigate any matter which falls within the Audit Committee's Terms of Reference, having full access to and co-operation by Management and the full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;

(k) Review interested persons' transactions falling within the scope of Chapter 9 of the Listing Manual of the SGX-ST;

(l) Make recommendations to the Board on the appointment/re-appointment/removal of the external auditor, and approve the audit fees and terms of engagement of the external auditor; and

(m) Review arrangements by which staff of the Company and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, so as to ensure that arrangements are in place for the independent investigation of such matters and for appropriate follow up action.

Some of the Company's subsidiaries are audited by different auditors. The names of these auditors are listed on page 62 of the Annual Report. The Board and the Audit Committee are satisfied that the appointment of these auditors would not compromise the standard and effectiveness of the audit of the Group. Accordingly, the Board confirms that Rule 712 and Rule 715 read with Rule 716 of the SGX-ST Listing Manual have been complied with.

The Audit Committee has nominated Messrs Ernst and Young LLP for re-appointment as auditor of the Company at the forthcoming Annual General Meeting.

The Audit Committee considered the volume of non-audit services provided by the external auditor to the Group, and being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor, confirmed their

re-nomination. The aggregate amount of fees paid to the external auditor in FY2015 and a breakdown of the fees paid in respect of audit and non-audit services are stated in the notes to the financial statements.

Changes to accounting standards and accounting issues which have a direct impact on the financial statements were reported to the Audit Committee, and highlighted by the external auditor in their meetings with the Audit Committee.

Interested Person Transactions Policy

The Company has procedures in place to comply with the SGX-ST Listing Manual requirements relating to interested person transactions of the Company.

The aggregate value of interested person transactions ("IPTs") entered into during the financial year under review is as follows:

Name of interested person	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S$100,000/ US$74,370 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000/US$74,370)
	S$/US$	S$/US$
Mr Lim Kwee Siah - provision of consultancy services	157,800/120,266	NIL

Whistleblowing Policy

The Company has implemented a whistleblowing policy, which serves to encourage and provide a channel to staff and third parties to report in good faith and in confidence, without fear of reprisals, concerns about possible wrongdoing or breach of applicable laws, regulations, policies or other matters. The objectives for such arrangement is to ensure independent investigation of such matters and for appropriate follow-up action. A whistleblower may report concerns about possible improprieties directly to the Chairman of the Audit Committee under confidential mail.

Internal Audit
(Principle 13)

The Company has established an in-house internal audit function that is independent of the activities it audits. The Internal Auditor reports primarily to the Chairman of the Audit Committee and administratively to the Chief Executive Officer. The Internal Auditor meets the standards set by recognised professional bodies.

SHAREHOLDERS RIGHTS AND RESPONSIBILITIES

Shareholder Rights, Communication with Shareholders and Conduct of Shareholder Meetings
(Principles 14, 15 and 16)

The Company communicates information to shareholders and the investing community through announcements that are released to the SGX-ST via SGXNET. Such announcements include the quarterly and full year results, material transactions, and other developments relating to the Group requiring disclosure under the corporate disclosure policy of the SGX-ST. The Company also maintains a website at www.chuanhup.com.sg where the public can access information on the Group.

Shareholders are invited to attend, participate and vote at the general meetings. The notice of meetings is given within the stipulated timeline and the shareholders are informed of the relevant rules and voting procedures of the meetings.

The Company fully supports shareholders' participation at Annual General Meetings and Extraordinary General Meetings. Shareholders are informed of general meetings through published notices, reports and circulars sent to all shareholders. The notice of general meeting, which sets out all items of business to be transacted at the general meeting, is also released via SGXNET and published in The Business Times.

A shareholder who is entitled to attend and vote may either vote in person or in absentia through the appointment of one or more proxies (who can either be named individuals nominated by the shareholder to attend the meeting or the Chairman of the meeting as the shareholder may select). The Company's Articles of Association allow a shareholder of the Company to appoint up to two proxies to attend and vote in place of the shareholder. Voting in absentia by mail, facsimile or email is currently not permitted to ensure proper authentication of the identity of shareholders and their voting intent.

The Company's main forum for dialogue and interaction with shareholders takes place at its Annual General Meeting, where the members of the Board, the Chairman of each Board Committees, Senior Management and the external auditor are in attendance. At the Annual General Meeting, shareholders are given the opportunity to air their views and ask questions regarding the Company.

The Board ensures that there are separate resolutions at general meetings of the Company. The external auditor is also present to address shareholders' queries on the conduct of audit and the preparation and content of the auditor report.

The Company prepares detailed minutes of general meetings, which include substantive comments or queries from shareholders and responses from the Chairman, Board Members and Management. These minutes are available to shareholders upon their request.

To ensure transparency, the Company puts all resolutions at general meetings to vote by electronic poll voting and announces the detailed results showing the number of votes cast for and against each resolution and the respective percentage. The polling results are also announced on the SGX-ST and the Company's website.

The Company's policy on the payment of dividends (excluding special dividends) is to endeavour – barring unforeseen circumstances – to pay up to fifty percent (50%) of net profit after tax. In considering the level of dividend payments, the Board takes into account various factors including the level of available cash, the return on equity and retained earnings and projected level of capital expenditure and other investment plans.

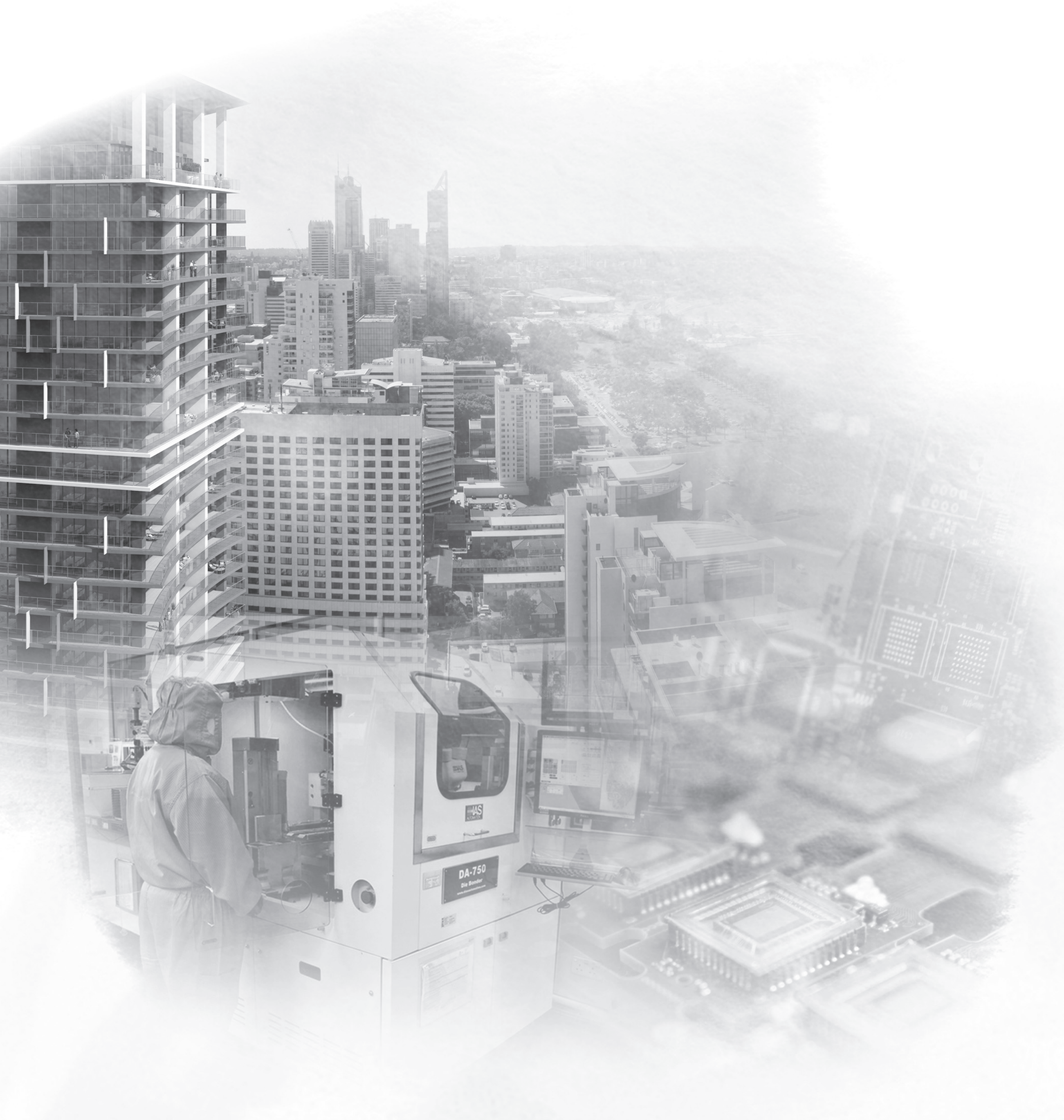
Dealing in Securities

The Group has clear guidelines for dealings in securities by Directors and employees. Chuan Hup's Directors and employees are prohibited from dealing in Chuan Hup's shares for the period of two weeks prior to the announcement of quarterly results and a period of one month prior to the announcement of year end results. In addition, Directors and employees are prohibited from dealing in Chuan Hup's shares on short-term considerations and/or while in possession of unpublished material price-sensitive information relating to Chuan Hup shares.

CONCLUSION

The Company recognises the importance of good corporate governance practices for maintaining and promoting investor confidence. The Company will continue to review and improve its corporate governance practices on an ongoing basis.

FINANCIAL STATEMENTS



DIRECTORS' REPORT

The directors are pleased to present their report to the members together with the audited consolidated financial statements of Chuan Hup Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the statement of comprehensive income, balance sheet and statement of changes in equity of the Company for the financial year ended 30 June 2015.

1. Directors

The Directors of the Company in office at the date of this report are:

Prof. Tan Cheng Han, S.C.
Mr Peh Siong Woon Terence
Mr Peh Kwee Chim
Mdm Joanna Young Sau Kwan
Mr Lim Kwee Siah

2. Arrangements to enable Directors to acquire shares and debentures

Except as disclosed in this report, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

3. Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Companies Act, Chapter 50 of Singapore, interests in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
Name of director	**At 30.6.2015**	**At 1.7.2014**	**At 30.6.2015**	**At 1.7.2014**
Chuan Hup Holdings Limited (ordinary shares)				
Mr Peh Kwee Chim	19,379,000	–	478,264,490**	497,643,490**
Mr Peh Siong Woon Terence	–	–	478,264,490**	478,264,490**
Mdm Joanna Young Sau Kwan	22,500	22,500	–	–
Mr Lim Kwee Siah	230,000	230,000	–	–
PCI Limited (ordinary shares)				
Prof. Tan Cheng Han, S.C.	40,000	40,000	–	–
Mr Peh Kwee Chim	–	–	152,701,506**	152,701,506**
Mr Peh Siong Woon Terence	–	–	152,701,506**	152,701,506**

** Deemed to have an interest pursuant to Section 4 of the Securities and Futures Act, Chapter 289 of Singapore and Section 7 of the Companies Act, Chapter 50 of Singapore.

By virtue of Section 4 of the Securities and Futures Act, Chapter 289 of Singapore and Section 7 of the Companies Act, Chapter 50 of Singapore, Mr Peh Kwee Chim and Mr Peh Siong Woon Terence are deemed to have an interest in all the related corporations of the Company.

3. Directors' interests in shares and debentures (cont'd)

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 July 2015.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning, or at the end of the financial year.

4. Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

5. Share options

(a) *Options to take up unissued shares*

During the financial year, no option to take up unissued shares of the Company or any corporation in the Group was granted.

(b) *Options exercised*

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) *Unissued shares under options*

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under options.

6. Audit committee

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Companies Act, Chapter 50 of Singapore and the Singapore Exchange Securities Trading Limited Listing Manual. The functions carried out are detailed in the Corporate Governance Report, which is included in the Company's Annual Report for the financial year ended 30 June 2015.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its functions properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The Audit Committee has also conducted a review of interested person transactions.

7. Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors,

Peh Siong Woon Terence
Director

Peh Kwee Chim
Director

Singapore
14 September 2015

STATEMENT BY DIRECTORS

We, Peh Siong Woon Terence and Peh Kwee Chim, being two of the directors of Chuan Hup Holdings Limited, do hereby state that, in the opinion of the directors:

(i) the accompanying statements of comprehensive income, balance sheets, statements of changes in equity and consolidated cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2015 and the results of the business and changes in equity of the Group and the Company, and cash flows of the Group for the year ended on that date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the board of directors,

Peh Siong Woon Terence
Director

Peh Kwee Chim
Director

Singapore
14 September 2015

Independent Auditor's Report to the Members of Chuan Hup Holdings Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Chuan Hup Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 27 to 89, which comprise the balance sheets of the Group and the Company as at 30 June 2015, the statements of comprehensive income and the statements of changes in equity of the Group and the Company and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Companies Act, Chapter 50 of Singapore (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of comprehensive income, balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and the Company as at 30 June 2015 and of the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditor have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
14 September 2015

		Group		Company	
	Note	2015	2014	2015	2014
		US$'000	US$'000	US$'000	US$'000
Revenue	4	232,164	202,613	21,684	10,956
Raw material and consumables		(142,752)	(136,214)	–	–
Manufacturing expenses		(22,680)	(20,793)	–	–
Business development expenses		(1,338)	(1,482)	–	–
Other operating expenses		(3,336)	(2,941)	–	–
Property development expense		(33,389)	(16,033)	–	–
Vessel management expense		(112)	(82)	–	–
Gain/(loss) on disposal of held-for-trading investments		2,777	(321)	343	101
Change in fair value of held-for-trading investments		(986)	2,675	(178)	(109)
Change in fair value of derivative financial instruments		(437)	1,010	(62)	92
Change in fair value of financial asset at fair value through profit or loss		571	–	–	–
Impairment loss on available-for-sale investments		(1,288)	(45)	(746)	(45)
Employee benefits expense	5	(10,218)	(10,450)	(2,995)	(2,506)
Depreciation/amortisation expense		(2,349)	(2,573)	(8)	(7)
Other expenses		(2,465)	(3,029)	1,260	(820)
Other gains, net	5	23,438	3,724	18,869	1,944
Finance costs		(144)	–	–	–
Share of results of an associate	13	3,092	5,948	–	–
Profit before tax	5	40,548	22,007	38,167	9,606
Income tax (expense)/credit	6	(1,241)	(2,818)	546	(1)
Profit after tax		39,307	19,189	38,713	9,605
Other comprehensive (loss)/income:					
Items that may be reclassified subsequently to profit or loss:					
Available-for-sale investments					
Change in fair value		(25,957)	15,841	(25,543)	15,809
Impairment loss		–	2	–	2
Reclassification of realised gain on disposal to profit or loss		–	(31)	–	–
Exchange differences arising from translation of foreign operations		(10,026)	392	–	–
Other comprehensive (loss)/income for the year, net of tax		(35,983)	16,204	(25,543)	15,811
Total comprehensive income for the year		3,324	35,393	13,170	25,416
Profit attributable to:					
Equity holders of the Company		36,659	18,023		
Non-controlling interests		2,648	1,166		
		39,307	19,189		
Total comprehensive income attributable to:					
Equity holders of the Company		1,145	34,294		
Non-controlling interests		2,179	1,099		
		3,324	35,393		
Earnings per share (US cents):	7				
Basic		3.93	1.93		
Fully diluted		3.93	1.93		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS
as at 30 June 2015

		Group		Company	
	Note	2015	2014	2015	2014
		US$'000	US$'000	US$'000	US$'000
Assets					
Non-current assets					
Plant and equipment	9	4,303	3,440	16	8
Prepaid lease payments	10	19,902	14,256	–	–
Investment properties	11	24,386	–	–	–
Subsidiaries	12	–	–	57,801	57,801
Associate	13	–	49,375	–	47,838
Investment securities	15	58,167	81,246	45,693	69,886
Other receivables	21	2,114	–	–	–
Other assets	16	264	284	–	–
Deferred tax asset	17	9	–	–	–
		109,145	148,601	103,510	175,533
Current assets					
Development properties	18	39,801	39,486	–	–
Inventories	19	27,193	27,753	–	–
Trade receivables	20	33,505	33,151	15	1
Other receivables and prepayments	21	4,727	1,538	80	22
Tax recoverable		449	278	–	–
Amounts due from subsidiaries	22	–	–	68,415	53,972
Investment securities	15	19,402	11,480	3,361	1,725
Derivative financial instruments	23	15	119	–	8
Cash and bank balances	24	158,494	123,127	74,684	15,468
		283,586	236,932	146,555	71,196
Total assets		392,731	385,533	250,065	246,729
Equity and liabilities					
Current liabilities					
Borrowings	25	372	–	–	–
Trade payables	26	30,861	27,558	–	–
Other payables	27	19,340	19,210	4,052	6,219
Amounts due to subsidiaries	28	–	–	9,896	10,298
Income tax payables		3,787	3,752	81	209
Derivative financial instruments	23	336	2	54	–
		54,696	50,522	14,083	16,726
Non-current liabilities					
Borrowings	25	11,262	–	–	–
Other payables	27	157	–	–	–
Deferred tax liabilities	17	1,980	2,857	–	–
		13,399	2,857	–	–
Total liabilities		68,095	53,379	14,083	16,726

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Note	Group 2015	Group 2014	Company 2015	Company 2014
		US$'000	US$'000	US$'000	US$'000
Equity					
Share capital	29	152,009	152,009	152,009	152,009
Reserves	30	11,137	46,651	14,469	40,012
Accumulated profits		141,279	111,811	69,504	37,982
Equity attributable to equity holders of the Company		304,425	310,471	235,982	230,003
Non-controlling interests		20,211	21,683	–	–
Total equity		324,636	332,154	235,982	230,003
Total equity and liabilities		392,731	385,533	250,065	246,729

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 30 June 2015

	Attributable to equity holders of the Company							
Group	Share capital	Foreign currency translation reserve	Investment revaluation reserve	Capital reserve	Accumulated profits	Total	Non-controlling interests	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 July 2014	152,009	6,694	39,614	343	111,811	310,471	21,683	332,154
Profit for the year	–	–	–	–	36,659	36,659	2,648	39,307
Available-for-sale investments:								
Change in fair value	–	–	(25,957)	–	–	(25,957)	–	(25,957)
Exchange differences arising from translation of foreign operations	–	(9,557)	–	–	–	(9,557)	(469)	(10,026)
Other comprehensive loss, net of tax	–	(9,557)	(25,957)	–	–	(35,514)	(469)	(35,983)
Total comprehensive income/(loss) for the year	–	(9,557)	(25,957)	–	36,659	1,145	2,179	3,324
Dividends paid to equity holders of the Company (Note 8)	–	–	–	–	(7,191)	(7,191)	–	(7,191)
Dividends paid to non-controlling interests of subsidiary	–	–	–	–	–	–	(3,651)	(3,651)
Balance at 30 June 2015	152,009	(2,863)	13,657	343	141,279	304,425	20,211	324,636
Balance at 1 July 2013	152,009	6,235	23,802	343	108,772	291,161	21,708	312,869
Profit for the year	–	–	–	–	18,023	18,023	1,166	19,189
Available-for-sale investments:								
Change in fair value	–	–	15,841	–	–	15,841	–	15,841
Impairment loss	–	–	2	–	–	2	–	2
Reclassification of realised gain on disposal to profit or loss	–	–	(31)	–	–	(31)	–	(31)
Exchange differences arising from translation of foreign operations	–	459	–	–	–	459	(67)	392
Other comprehensive income/(loss), net of tax	–	459	15,812	–	–	16,271	(67)	16,204
Total comprehensive income for the year	–	459	15,812	–	18,023	34,294	1,099	35,393
Dividends paid to equity holders of the Company (Note 8)	–	–	–	–	(14,984)	(14,984)	–	(14,984)
Dividends paid to non-controlling interests of subsidiary	–	–	–	–	–	–	(1,124)	(1,124)
Balance at 30 June 2014	152,009	6,694	39,614	343	111,811	310,471	21,683	332,154

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Company	Share capital	Investment revaluation reserve	Accumulated profits	Total equity
	US$'000	US$'000	US$'000	US$'000
Balance at 1 July 2014	152,009	40,012	37,982	230,003
Profit for the year	–	–	38,713	38,713
Available-for-sale investments:				
Change in fair value	–	(25,543)	–	(25,543)
Other comprehensive loss, net of tax	–	(25,543)	–	(25,543)
Total comprehensive income/(loss) for the year	–	(25,543)	38,713	13,170
Dividends paid to equity holders of the Company (Note 8)	–	–	(7,191)	(7,191)
Balance at 30 June 2015	152,009	14,469	69,504	235,982
Balance at 1 July 2013	152,009	24,201	43,361	219,571
Profit for the year	–	–	9,605	9,605
Available-for-sale investments:				
Change in fair value	–	15,809	–	15,809
Impairment loss	–	2	–	2
Other comprehensive income, net of tax	–	15,811	–	15,811
Total comprehensive income for the year	–	15,811	9,605	25,416
Dividends paid to equity holders of the Company (Note 8)	–	–	(14,984)	(14,984)
Balance at 30 June 2014	152,009	40,012	37,982	230,003

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT
for the financial year ended 30 June 2015

	Group	
	2015	2014
	US$'000	US$'000
Cash flows from operating activities		
Profit before tax	40,548	22,007
Adjustments for:		
Share of results of an associate	(3,092)	(5,948)
Depreciation/amortisation expense	2,349	2,573
Dividend income	(4,319)	(3,940)
Interest income	(1,095)	(1,492)
Finance costs	144	–
Net foreign exchange on translation	(2,479)	337
Gain on disposal of plant and equipment	(27)	(58)
Gain on disposal of leasehold property	(5,136)	–
Gain on disposal of an associate	(20,965)	–
(Gain)/loss on disposal of held-for-trading investments	(2,777)	321
Gain on disposal of available-for-sale investments	(565)	(1,162)
Change in fair value of held-for-trading investments	986	(2,675)
Change in fair value of derivative financial instruments	437	(1,010)
Change in fair value of financial asset at fair value through profit or loss	(571)	–
Impairment loss on available-for-sale investments	1,288	45
Impairment loss on other assets	20	31
Other income	–	(1,710)
Operating cash flows before changes in working capital	4,746	7,319
Changes in working capital:		
Development properties	(315)	(1,956)
Inventories	560	(1,198)
Proceeds from disposal of held-for-trading investments	23,326	22,545
Purchase of held-for-trading investments	(18,887)	(19,776)
Redemption of structured deposits	33,069	15,098
Placement of structured deposits	(33,508)	(15,106)
Purchase of financial asset at fair value through profit or loss	(10,000)	–
Receivables	(3,470)	97,565
Payables	3,580	(88,163)
Cash flows (used in)/from operations	(899)	16,328
Interest paid	(134)	–
Interest received	1,022	1,390
Dividends received from held-for-trading investments	383	340
Income tax paid	(1,730)	(2,973)
Net cash flows (used in)/generated from operating activities	(1,358)	15,085

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

for the financial year ended 30 June 2015

	Group	
	2015	2014
	US$'000	US$'000
Cash flows from investing activities		
Purchase of plant and equipment	(2,290)	(1,638)
Proceeds from disposal of plant and equipment	27	58
Purchase of leasehold properties	(19,977)	–
Proceeds from disposal of leasehold property	18,255	–
Purchase of investment properties	(24,466)	–
Purchase of available-for-sale investments	(4,788)	(7,834)
Proceeds from disposal of available-for-sale investments	1,188	1,690
Dividends received from available-for-sale investments	3,936	3,600
Return on capital by an available-for-sale investment	–	2,549
Property development loan	(2,114)	–
Additional investment in an associate	(2,419)	(123)
Proceeds from disposal of an associate	70,651	–
Dividends received from an associate	5,200	2,666
Net cash flows generated from investing activities	43,203	968
Cash flows from financing activities		
Dividends paid to equity holders of the Company	(7,191)	(14,984)
Dividends paid to non-controlling interests of subsidiary	(3,651)	(1,124)
Drawdown of bank loan	11,991	–
Repayment of bank loan	(148)	–
Net cash flows generated from/(used in) financing activities	1,001	(16,108)
Net increase/(decrease) in cash and bank balances	42,846	(55)
Effect of exchange rate changes on cash and bank balances	(7,479)	(433)
Cash and bank balances at beginning of year	123,127	123,615
Cash and bank balances at end of year	158,494	123,127
Pledged deposits for derivative financial instruments with banks	(1,448)	(1,336)
Cash and cash equivalents at end of year	157,046	121,791

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. General information

Chuan Hup Holdings Limited (the "Company") is a limited liability company incorporated and domiciled in the Republic of Singapore. The registered office and principal place of business of the Company is located at 390 Jalan Ahmad Ibrahim, Singapore 629155. The Company is listed on the Singapore Exchange Securities Trading Limited.

The principal activities of the Company are that of investment holding, trading activities and provision of management services.

The principal activities of its subsidiaries, associate and joint operations are set out in Notes 12, 13 and 14 to the financial statements, respectively.

The consolidated financial statements relate to the Company and its subsidiaries (referred to as the Group) and the Group's interests in its associate.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the statement of comprehensive income, balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in United States dollars ("USD" or "US$") and all values in the tables are rounded to the nearest thousand (US$'000), except when otherwise indicated.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards that are effective for annual financial periods beginning on or after 1 July 2014. The adoption of these standards did not have any significant financial impact on the financial performance or position of the Group and the Company.

2. Summary of significant accounting policies (cont'd)

2.3 *Standards issued but not yet effective*

The Group has not adopted the following standards and interpretations ("INT FRS") that have been issued but not yet effective:

Description	*Effective for annual periods beginning on or after*
Amendments to FRS 27 *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to FRS 16 and FRS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to FRS 111 *Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
Improvements to FRSs (November 2014)	
(a) Amendments to FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*	1 January 2016
(b) Amendments to FRS 107 *Financial Instruments: Disclosures*	1 January 2016
(c) Amendments to FRS 19 *Employee Benefits*	1 January 2016
(d) Amendments to FRS 34 *Interim Financial Reporting*	1 January 2016
Amendments to FRS 110 and FRS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	1 January 2016
Amendments to FRS 1 *Disclosure Initiative*	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28 *Investment Entities: Applying the Consolidation Exception*	1 January 2016
FRS 114 *Regulatory Deferral Accounts*	1 January 2016
FRS 115 *Revenue from Contracts with Customers*	1 January 2017
FRS 109 *Financial Instruments*	1 January 2018

Except for FRS 109 and FRS 115, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes on adoption of FRS 109 and FRS 115 are described below.

<u>FRS 109 *Financial Instruments*</u>

FRS 109 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in FRS 39. The approach in FRS 109 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. FRS 109 enables companies to reflect their risk management activities better in their financial statements, and, in turn, help investors to understand the effect of those activities on future cash flows. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

2. Summary of significant accounting policies (cont'd)

2.3 ***Standards issued but not yet effective (cont'd)***

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under FRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted.

The directors are currently assessing the impact of FRS 109 and FRS 115 to its financial statements.

2.4 ***Basis of consolidation and business combinations***

(a) **Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains or losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interests of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interests;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2. Summary of significant accounting policies (cont'd)

2.4 *Basis of consolidation and business combinations (cont'd)*

(b) **Business combinations**

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of fair value of the consideration transferred in the business combination, the amount of non-controlling interests in the acquiree (if any), and the fair value of the Group's previously held equity interests in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

2.5 *Transactions with non-controlling interests*

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly to equity holders of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to equity holders of the Company.

2.6 *Foreign currencies*

The Group's financial statements are presented in USD, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) **Transactions and balances**

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

2. Summary of significant accounting policies (cont'd)

2.6 *Foreign currencies (cont'd)*

(a) **Transactions and balances (cont'd)**

Exchange differences on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) **Consolidated financial statements**

For consolidation purpose, the assets and liabilities of foreign operations are translated into USD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.7 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment losses.

2.8 *Associates*

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group account for its investments in associates using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investments in associates are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of the operations of the associates. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate are eliminated to the extent of the interest in the associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

2. Summary of significant accounting policies (cont'd)

2.8 *Associates (cont'd)*

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

2.9 *Joint arrangements*

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation.

Joint operations

The Group recognises in relation to its interest in a joint operation,

(i) its assets, including its share of any assets held jointly;

(ii) its liabilities, including its share of any liabilities incurred jointly;

(iii) its revenue from the sale of its share of the output arising from the joint operation;

(iv) its share of the revenue from the sale of the output by the joint operation; and

(v) its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the accounting policies applicable to the particular assets, liabilities, revenues and expenses.

2.10 *Plant and equipment*

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment other than freehold land are measured at cost less accumulated depreciation and accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold improvements	–	Over the remaining lease term
Furniture, fittings, plant and equipment	–	3 years to 10 years
Motor vehicles	–	5 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

2. Summary of significant accounting policies (cont'd)

2.10 *Plant and equipment (cont'd)*

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of plant and equipment is de-recognised upon disposal or when no future economic benefit is expected from its use or disposal. Any gains or losses on de-recognition of the asset is included in profit or loss in the year the asset is de-recognised.

2.11 *Investment properties*

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

2.12 *Development properties*

Development properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation.

Development properties are held as inventories and are measured at the lower of cost and net realisable value.

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when incurred.

Net realisable value of development properties is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

The costs of development properties recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

2.13 *Prepaid lease payments*

The prepaid lease payments are initially measured at cost. Following initial recognition, prepaid lease payments are measured at cost less accumulated amortisation. The prepaid lease payments are amortised on a straight-line basis. Amortisation is computed on a straight-line basis over the period as follows:

Prepaid lease payments	–	Over the remaining lease term

2. Summary of significant accounting policies (cont'd)

2.14 *Inventories*

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour costs and those production overheads, where applicable, that have been incurred in bringing the inventories to that present location and condition. Cost is calculated using the moving weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business, less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

In arriving at net realisable values, allowances are made when necessary for obsolete, slow moving and defective stocks.

2.15 *Club membership*

Club membership was acquired separately and was not amortised as its useful life is infinite. The club membership is tested for impairment annually or more frequently if the events and circumstances indicate that the carrying value may be impaired. The useful life of club membership is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from infinite to finite is made on a prospective basis.

2.16 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset. If the asset does not generate cash inflows that are largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs to. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2. Summary of significant accounting policies (cont'd)

2.17 ***Financial instruments***

(a) **Financial assets**

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held-for-trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held-for-trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group. Derivatives, including separated embedded derivatives are also classified as held-for-trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss includes exchange differences, interest and dividend income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains or losses are recognised in profit or loss when the loans and receivables are de-recognised or impaired, and through the amortisation process.

Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held-for-trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

2. Summary of significant accounting policies (cont'd)

2.17 ***Financial instruments (cont'd)***

(a) **Financial assets (cont'd)**

Available-for-sale financial assets (cont'd)

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains or losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial assets are de-recognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that have been recognised in other comprehensive income are recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or de-recognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(b) **Financial liabilities**

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held-for-trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held-for-trading unless they are designated as effective hedging instruments.

2. Summary of significant accounting policies (cont'd)

2.17 ***Financial instruments (cont'd)***

(b) **Financial liabilities (cont'd)**

Financial liabilities at fair value through profit or loss (cont'd)

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains or losses are recognised in profit or loss when the liabilities are de-recognised and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

(c) **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.18 ***Impairment of financial assets***

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired:

(a) **Financial assets carried at amortised cost**

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amount charged to the allowance account is written-off against the carrying value of the financial asset.

2. Summary of significant accounting policies (cont'd)

2.18 *Impairment of financial assets (cont'd)*

(a) Financial assets carried at amortised cost (cont'd)

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) Financial assets carried at cost

If there is objective evidence (such as adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(c) Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include: (i) significant financial difficulty of the issuer or obligor; (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair values after impairment are recognised directly in other comprehensive income.

2.19 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.20 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions are reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognised as a finance cost.

2. Summary of significant accounting policies (cont'd)

2.21 *Financial guarantee*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

2.22 *Borrowing costs*

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended uses or sales. All other borrowing costs are expensed in the financial period they occur. Borrowing costs consist of interests and other costs that an entity incurs in connection with the borrowing of funds.

2.23 *Employee benefits*

(a) **Defined contribution plan**

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the financial period in which the related service is performed.

(b) **Employee leave entitlement**

Employee entitlements to annual leave are recognised as a liability when they are accrued to employees. The estimated liability for annual leave is recognised for services rendered by employees up to the end of the reporting period.

2.24 *Revenue*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties. The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The following specific revenue recognition criteria must also be met before revenue is recognised:

(a) Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customers, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods;

(b) Revenue from sale of development property is recognised when the significant risks and returns have been transferred to the buyer, which is normally on unconditional exchange of contracts. For conditional exchanges, revenue from such sale are recognised only when all the significant conditions are satisfied;

2. Summary of significant accounting policies (cont'd)

2.24 ***Revenue (cont'd)***

(c) Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis;

(d) Management and agency fees earned from rendering of services are recognised over the service period;

(e) Dividend income from investments is recognised when the Group's right to receive payment is established; and

(f) Interest income is recognised on a time proportionate basis using the effective interest method.

2.25 ***Taxes***

(a) **Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) **Deferred tax**

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. Summary of significant accounting policies (cont'd)

2.25 *Taxes (cont'd)*

(b) **Deferred tax (cont'd)**

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the financial year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) **Goods and Services Tax ("GST") and Value Added Tax ("VAT")**

Revenues, expenses and assets are recognised net of the amount of GST/VAT except:

- Where the GST/VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of GST/VAT included.

The net amount of GST/VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheets.

2.26 *Share capital and share issuance expenses*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.27 *Leases*

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005 in accordance with the transitional requirements of INT FRS 104.

2. Summary of significant accounting policies (cont'd)

2.27 ***Leases (cont'd)***

(a) **As lessee**

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item are capitalised at the inception of the lease at the fair value of the leased asset, or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the financial periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) **As lessor**

Leases where the Group retains substantially all the risks and rewards of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 2.24 to the financial statements. Contingent rents are recognised as revenue in the financial period in which they are earned.

2.28 ***Segment reporting***

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 35 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.29 ***Contingencies***

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheets of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair value can be reliably determined.

2. Summary of significant accounting policies (cont'd)

2.30 *Related parties*

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and the Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Group or the Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company;

(vi) The entity is controlled or jointly controlled by a person identified in (a); or

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. Significant accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 *Judgements made in applying accounting policies*

In the process of applying the Group's accounting policies, management has made the following judgement which has the most significant effect on the amounts recognised in the financial statements:

(a) **Impairment of available-for-sale investments**

The Group records impairment charges on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their costs. The determination of what is "significant" or "prolonged" requires judgement. For the financial year ended 30 June 2015, the amount of impairment loss recognised for available-for-sale financial assets was US$1,288,000 (2014: US$45,000).

3. Significant accounting estimates and judgements (cont'd)

3.1 *Judgements made in applying accounting policies (cont'd)*

(b) **Determination of functional currency**

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices. Management has assessed that prices are mainly denominated and settled in the respective local currency of the entities of the Group. In addition, most of the entities' cost base is mainly denominated in their respective local currency. Therefore, management concluded that the functional currency of the entities of the Group is their respective local currency.

3.2 *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) **Impairment assessment for plant and equipment**

Management performed an impairment assessment for plant and equipment held by a cash-generating unit ("CGU"). The recoverable amount of plant and equipment are determined based on value in use. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows. If discount rate had been 5% higher than management's estimates, with all other variables held constant, the recoverable amount would have been US$773,000 lower. No impairment was recognised as the recoverable amount of CGU is higher than its carrying value.

(b) **Fair value measurement of investment properties**

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. The Group engaged a independent valuation specialist to determine fair value as at 30 June 2015. The valuation technique adopted was the Direct Comparison Method of Valuation. This involves analysing recent sales evidence of similar properties in the subject and comparable developments. Adjustments were made for differences in location, age, tenure, floor area, condition, exposure, date of sale, amongst other factors, before arriving at the market value of the property. The carrying amount of the Group's investment properties at 30 June 2015 was US$24,386,000 (2014: US$Nil).

(c) **Fair value of financial instruments**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These techniques involve uncertainties and require assumptions and judgements. Changes in these assumptions will affect the estimated value of the financial instruments.

3. Significant accounting estimates and judgements (cont'd)

3.2 ***Key sources of estimation uncertainty (cont'd)***

(d) **Allowance for inventories**

The Group reviews its inventory levels in order to identify slow moving and obsolete merchandise. Where the Group identifies items of inventory that had net realisable value that is lower than its carrying amount, the Group estimates the amounts of inventory loss as allowance on inventory. Management is satisfied that adequate allowance for slow moving and obsolete merchandise has been made in the financial statements. The carrying amount of inventories at the end of the reporting period is disclosed in Note 19 to the financial statements.

(e) **Taxation**

Significant judgement is involved in determining the Group's and the Company's provision for taxation. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognises liabilities for expected tax issues based on the estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax provisions in the financial year in which such determination is made.

The carrying amount of the Group's income tax payable and net deferred tax liabilities as at 30 June 2015 was US$3,787,000 and US$1,971,000 (2014: US$3,752,000 and US$2,857,000) respectively. The carrying amount of the Company's income tax payable as at 30 June 2015 was US$81,000 (2014: US$209,000).

4. Revenue

	Group		Company	
	2015	**2014**	**2015**	**2014**
	US$'000	US$'000	US$'000	US$'000
Sale of goods	184,264	173,758	–	–
Sale of development properties	37,755	18,686	–	–
Rental income	3,138	3,064	–	–
Rendering of management and other services to:				
- External parties	234	260	–	–
- Subsidiaries	–	–	747	817
Dividend income from:				
- Quoted equity investments	4,319	3,940	3,651	3,426
- Subsidiaries	–	–	11,940	3,881
- Associate	–	–	5,200	2,667
Interest income from deposits	1,095	1,492	146	165
Others	1,359	1,413	–	–
Total	232,164	202,613	21,684	10,956

5. Profit before tax

Profit before tax for the financial year has been arrived at after incorporating the following items:

	Group		Company	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
Other gains, net				
Gain on disposal of available-for-sale investments	565	1,162	552	–
Gain on disposal of plant and equipment	27	58	–	–
Gain on disposal of leasehold property	5,136	–	–	–
Gain on disposal of an associate	20,965	–	20,393	–
Other income	1,967	2,407	23	1,747
Impairment (loss)/reversed:				
- Amount due from subsidiary (Note 22)	–	–	774	(1)
- Other assets (Note 16)	(20)	(31)	–	–
Foreign exchange (loss)/gain	(5,202)	128	(2,873)	198
Total	23,438	3,724	18,869	1,944

During the financial year, other income for the Group and the Company included a gain of US$Nil (2014: US$1,710,000) derived from an available-for-sale investment which had undergone a capital reduction exercise.

	Group		Company	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
Employee benefits expense (including directors' remuneration and directors' fees)				
Salaries, allowances and short term benefits	9,723	9,872	2,880	2,405
Defined contribution plan	495	578	115	101
Total	10,218	10,450	2,995	2,506

In addition to the above, employee benefits expenses relating to the Group's manufacturing and property management activities comprise salaries, allowances and short term benefits of US$15,620,000 (2014: US$14,036,000) as well as defined contribution plan payments of US$1,299,000 (2014: US$1,226,000) and are included in manufacturing expenses and other operating expenses.

	Group		Company	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
Auditors' remuneration				
Audit fees:				
Auditors of the Company	185	185	64	65
Other auditors	118	86	–	–
Non-audit fees:				
Auditors of the Company	25	18	15	11
Other auditors	20	14	–	–
Total	348	303	79	76
Others				
Write-back of allowance for slow moving inventories	(759)	(925)	–	–

6. Income tax expense/(credit)

(a) The major components of income tax expense/(credit) are as follows:

	Group		Company	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
Current income tax:				
Current income taxation	3,081	1,453	(426)	–
Overprovision in respect of prior years	(1,490)	(57)	(128)	–
	1,591	1,396	(554)	–
Deferred tax (Note 17):				
Origination and reversal of temporary differences	(346)	679	–	–
Overprovision in respect of prior years	(127)	–	–	–
	(473)	679	–	–
Withholding tax	123	743	8	1
Income tax expense/(credit) recognised in profit or loss	1,241	2,818	(546)	1

(b) A reconciliation between tax expense/(credit) and the product of accounting profit multiplied by the applicable statutory tax rate for the financial years ended 30 June 2015 and 2014 are as follows:

	Group		Company	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
Profit before tax	40,548	22,007	38,167	9,606
Tax at statutory rate of 17% (2014: 17%)	6,893	3,741	6,488	1,633
Non-deductible items	4,972	(806)	364	(1,756)
Income not subject to tax	(9,586)	–	(7,097)	–
Utilisation of deferred tax benefits previously not recognised	(90)	(611)	(25)	–
Foreign sourced income previously not remitted	–	660	–	–
Effect of partial tax exemption and tax relief	(136)	(158)	–	–
Overprovision in respect of prior years	(1,617)	(57)	(128)	–
Withholding tax on foreign income	123	743	8	1
Effect of different tax rates	471	270	–	–
Deferred tax assets not recognised	740	283	269	123
Effect of recognition of unrecognised temporary differences	–	(186)	–	–
Share of results of an associate	(526)	(1,011)	–	–
Others	(3)	(50)	–	–
Group relief	–	–	(425)	–
Income tax expense/(credit) recognised in profit or loss	1,241	2,818	(546)	1

6. Income tax expense/(credit) (cont'd)

A loss-transfer system of group relief (group relief system) for companies was introduced in Singapore with effect from year of assessment 2003. Under the group relief system, a company belonging to a group may transfer its current year unabsorbed capital allowances, current year unabsorbed trade losses and current year unabsorbed donations (loss items) to another company belonging to the same group, to be deducted against the assessable income of the latter company.

During the previous financial year, the Company intended to transfer unabsorbed trade losses and donations of approximately U$2,330,000 and US$169,000 respectively to a related company under the group relief system for the year of assessment ("YA") 2015.

At the end of the reporting period, included in the income tax payable is an amount of US$425,000 (2014: US$Nil) which relates to group relief payment payable from the related company to the Company.

(c) Subject to agreement by the relevant tax authorities, the Group and the Company has unutilised tax losses and donations estimated as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	US$'000	US$'000	US$'000	US$'000
Unutilised tax losses	12,199	8,379	5,262	3,823
Unutilised donations	380	240	380	240
	12,579	8,619	5,642	4,063
Deferred tax asset not recognised	2,443	1,770	959	691

These future income tax benefits are available for offset against future assessable income of the companies in which the tax benefits arose, subject to the conditions for deductibility imposed by the tax legislation of their respective countries of incorporation, including the retention of majority shareholders as defined are complied with. Deferred tax asset is not recognised due to uncertainty of its realisation.

7. Earnings per share

Basic and fully diluted earnings per share attributable to the ordinary equity holders of the Company is computed by dividing profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year:

	Group	
	2015	**2014**
Earnings (US$'000):		
Profit attributable to equity holders of the Company	36,659	18,023
Number of shares ('000):		
Weighted average number of ordinary shares	933,532	933,532
Earnings per share (US cents)	3.93	1.93

Basic earnings per share is the same as fully diluted earnings per share as the Group does not have any potential dilutive ordinary shares outstanding.

8. Dividends

	Group and Company 2015	2014
	US$'000	US$'000
Dividends on ordinary shares paid during the year:		
First and final and special tax exempt (one-tier) dividends for 2014: S$0.01 and S$Nil (2013: S$0.01 and S$0.01) per share, respectively	7,191	14,984
After the reporting period, the directors proposed the following tax exempt (one-tier) dividends:		
First and final dividend for 2015 of S$0.01 and special dividend of S$0.02 (2014: first and final dividend S$0.01 and special dividend S$Nil) per share	20,828	7,478

The proposed dividend is subject to approval by shareholders at the forthcoming Annual General Meeting. Upon approval, it will then be accounted for as an appropriation of accumulated profits.

9. Plant and equipment

Group	Freehold land	Leasehold improvements	Furniture, fittings, plant and equipment	Motor vehicles	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Cost					
At 1 July 2013	21,521	1,539	28,167	618	51,845
Exchange differences	375	(74)	(108)	(19)	174
Additions	–	18	939	681	1,638
Disposals	–	–	(96)	(152)	(248)
Transfer to development properties	(21,896)	–	–	–	(21,896)
At 30 June 2014 and 1 July 2014	–	1,483	28,902	1,128	31,513
Exchange differences	–	(456)	(48)	(14)	(518)
Additions	–	531	1,735	24	2,290
Disposals	–	(178)	(201)	(123)	(502)
At 30 June 2015	–	1,380	30,388	1,015	32,783
Accumulated depreciation					
At 1 July 2013	–	1,533	24,998	583	27,114
Exchange differences	–	(74)	(96)	(19)	(189)
Depreciation for the year	–	–	1,327	69	1,396
Disposals	–	–	(96)	(152)	(248)
At 30 June 2014 and 1 July 2014	–	1,459	26,133	481	28,073
Exchange differences	–	(459)	(46)	(10)	(515)
Depreciation for the year	–	(3)	1,286	141	1,424
Disposals	–	(178)	(201)	(123)	(502)
At 30 June 2015	–	819	27,172	489	28,480
Net book value					
At 30 June 2014	–	24	2,769	647	3,440
At 30 June 2015	–	561	3,216	526	4,303

9. Plant and equipment (cont'd)

Asset held under finance lease

During the financial year, the Group acquired plant and equipment with cost of US$Nil (2014: US$438,000) by means of finance lease. The plant and equipment held under finance lease at the end of the reporting period was US$Nil (2014: US$261,000).

Asset under construction

As at 30 June 2015, the Group held assets under construction of US$849,000 (2014: US$Nil). The amount was recorded under plant and equipment. No depreciation was charged during the year.

Commitments

Capital expenditure contracted for as at 14 September 2015, but not recognised in the financial statements amounted to US$2,335,000 (2014: US$Nil).

Company	**Furniture, fittings and equipment**
	US$'000
Cost	
At 1 July 2013	195
Additions	5
Disposals	(23)
At 30 June 2014 and 1 July 2014	177
Additions	16
Disposals	(6)
At 30 June 2015	187
Accumulated depreciation	
At 1 July 2013	185
Depreciation for the year	7
Disposals	(23)
At 30 June 2014 and 1 July 2014	169
Depreciation for the year	8
Disposals	(6)
At 30 June 2015	171
Net book value	
At 30 June 2014	8
At 30 June 2015	16

10. Prepaid lease payments

	Group	
	2015	**2014**
	US$'000	US$'000
Cost		
At 1 July	18,022	17,813
Exchange differences	(889)	209
Additions	19,977	–
Disposals	(17,133)	–
At 30 June	19,977	18,022
Accumulated amortisation		
At 1 July	3,766	2,548
Exchange differences	(187)	41
Amortisation for the year	925	1,177
Disposals	(4,429)	–
At 30 June	75	3,766
Net book value		
At 30 June	19,902	14,256

Details of the leasehold properties of the Group:

Description	**Lease term**	**Location**	**Area (Square metre)**
Leasehold land and building(1)	60 years from 1 July 1966	322/386/388/390 Jalan Ahmad Ibrahim Singapore 629151/629156/629157/629155	76,487
Leasehold land and building(2)	60 years from 1 May 1993	35 Pioneer Road North Singapore 628475	7,689
Leasehold land and building(2)	30 years from 24 November 1998	Kawasan Industry Panbil C1, Lot 2-3, Muka Kuning, Batam	16,402

(1) Leasehold land and building was disposed during the year with sales proceeds of US$18,255,000 (2014: US$Nil).

(2) Leasehold land and buildings were acquired during the year at cost of US$19,977,000 (2014: US$Nil).

The property rental income from the Group's leasehold property partially leased out under operating leases, amounted to US$3,046,000 (2014: US$2,871,000). Direct operating expenses (including repairs and maintenance) arising from the rental-generating leasehold property amounted to US$2,372,000 (2014: US$2,498,000).

11. Investment properties

	Group	
	2015	2014
	US$'000	US$'000
Balance sheet:		
At 1 July	–	–
Additions	24,466	–
Exchange differences	(80)	–
At 30 June	24,386	–
Statement of comprehensive income:		
Rental income from investment properties:		
Minimum lease payments	92	–
Direct operating expenses (including repairs and maintenance) arising from:		
Revenue generating properties	171	–
Non-revenue generating property	41	–
	212	–

Valuation of investment properties

Investment properties are stated at fair value which has been determined based on valuation performed as at 30 June 2015. The valuation was performed by an accredited independent valuer with recent experience in location and category of the property being valued. The valuation technique adopted was the Direct Comparison Method of Valuation. This involved the analysis of recent sales evidence of similar properties in the subject and comparable developments. Adjustments were made for differences in location, age, tenure, floor area, condition, exposure, date of sale, amongst other factors, before arriving at the market value of the property.

Properties pledged as security

Investment properties are mortgaged to secure a bank loan (Note 25).

The investment properties held by the Group as at 30 June 2015 are as follows:

Description of properties	Existing use	Tenure	Unexpired lease term	Area (Square metre)
Three office floors located on 143 Cecil Street, GB Building, Singapore	Offices	Leasehold	66 years	1,492

12. Subsidiaries

	Company 2015	Company 2014
	US$'000	US$'000
Shares, at cost	80,163	80,665
Allowance for impairment	(22,362)	(22,864)
Total	57,801	57,801
Movement in allowance for impairment account:		
At 1 July	22,864	28,733
Struck off during the year	(502)	(5,869)
At 30 June	22,362	22,864

During the financial year, a wholly-owned subsidiary, Shin Chuan Pte. Ltd. was struck-off.

Details of subsidiaries are:

	Country of incorporation	Principal activities	Proportion of ownership interests held by the Group 2015	Proportion of ownership interests held by the Group 2014
			%	%
Held by the Company:				
Beauford Marine Pte Ltd[(1)]	Singapore	Ship agent and ship chartering	100.0	100.0
Cresta Investment Pte. Ltd.[(1)]	Singapore	Investment holding	100.0	100.0
ProVest Global Pte. Ltd.[(1)]	Singapore	Investment holding	100.0	100.0
ProVest Holdings Pte. Ltd.[(1)]	Singapore	Investment holding	100.0	100.0
ProVest Realty Pte. Ltd.[(1)]	Singapore	Property investment	100.0	100.0
ProVest Transworld Limited[(1)]	Singapore	Dormant	99.7	99.7
Shin Chuan Pte. Ltd.[(10)]	Singapore	Investment holding	–	100.0
CH Biovest Pte. Limited[(1)]	Singapore	Ship agent and investment holding	100.0	100.0
Ventrade (Asia) Pte. Ltd.[(1)]	Singapore	Investment holding and trading	100.0	100.0
PCI Limited[(1)]	Singapore	Investment holding and providing electronics manufacturing services	76.7	76.7
Held through subsidiaries:				
Held by ProVest Holdings Pte. Ltd.				
Valcom Holdings Inc[(8)]	British Virgin Islands	Investment holding	100.0	100.0

12. Subsidiaries (cont'd)

	Country of incorporation	Principal activities	Proportion of ownership interests held by the Group 2015	2014
			%	%
Held through subsidiaries (cont'd):				
Held by Ventrade (Asia) Pte. Ltd.				
96 & 102 Terrace Road Pty Ltd(10)	Australia	Property development	–	100.0
Ventrade Australia Pty Ltd(2)	Australia	Property development	100.0	100.0
Held by Ventrade Australia Pty Ltd				
Ventrade Maylands Pty Ltd(2)	Australia	Property development	100.0	100.0
Held by PCI Limited				
Printed Circuits International Incorporated(8) (11)	United States of America	Investment holding and provision of support on electronics manufacturing services	76.7	76.7
Printed Circuits International (PCI) Phil., Inc.(8) (10)	Philippines	Dormant	–	46.0
PT. Prima Circuitama Indonesia(4)	Indonesia	Dormant	70.9	70.9
PT. PCI Elektronik Internasional(4)	Indonesia	Provision of electronics manufacturing services for the Group	76.7	76.7
Pacific Gain Holding Limited(8)	British Virgin Islands	Investment holding	76.7	76.7
PCI China Private Limited(1)	Singapore	Investment holding	76.7	76.7
Quijul Pte Ltd(1)	Singapore	Rental of property	76.7	76.7
Held by Printed Circuits International Incorporated				
Printed Circuits International Private Limited(1)	Singapore	Rendering of estate management services to related company	76.7	76.7
PCI Displays Pte. Ltd.(1)	Singapore	Provision of electronics manufacturing and information technology services	76.7	76.7
Held by Pacific Gain Holding Limited				
Polymicro Corporation (Singapore) Pte Ltd(1) (7)	Singapore	Investment holding	76.7	76.7
Polymicro Precision Technology (Thailand) Co. Ltd(5)	Thailand	Dormant	76.7	76.7
Technology Enabler Designers Phils. Inc.(3)	Philippines	Provision of research and development services	76.7	76.7

12. Subsidiaries (cont'd)

	Country of incorporation	Principal activities	Proportion of ownership interests held by the Group	
			2015	2014
			%	%
Held through subsidiaries (cont'd):				
Held by PCI China Private Limited				
PCI-Gaozhi (Shanghai) Electronic Co., Ltd.[6]	China	Provision of electronics manufacturing services to the Group	69.0	69.0
PCI Shanghai Electronics Co., Ltd[6]	China	Provision of electronics manufacturing services to the Group and third parties	76.7	76.7
PCI Kunshan Electronics Co., Ltd[6] [9]	China	Provision of electronics manufacturing services to the Group and third parties	76.7	–
Held by Quijul Pte Ltd				
Quijul Logistics Pte. Ltd.[1]	Singapore	Value added logistics provider and general warehousing	76.7	76.7

(1) Audited by Ernst & Young LLP, Singapore.

(2) Audited by KPMG, Perth, Australia.

(3) Audited by member firm of Ernst & Young Global in Philippines (SGV & CO).

(4) Audited by Drs Bernardi & Co. Registered Public Accountants, Jakarta, Indonesia.

(5) Audited by V.A.T. Accounting, Bangkok, Thailand.

(6) Audited by Shanghai Linfang Certified Public Accountants, Co. Ltd, Shanghai, China.

(7) The investment represents 6.1% equity interest held through PCI Limited. The remaining 70.6% equity interest are held through Pacific Gain Holding Limited, a subsidiary of PCI Limited.

(8) Not required to be audited under the law in the country of incorporation.

(9) Incorporated on 2 June 2015.

(10) Liquidated/struck off during the year.

(11) Audited by Ernst & Young LLP, Singapore for the purpose of group consolidation.

12. Subsidiaries (cont'd)

(a) ***Interest in subsidiary with material non-controlling interest (NCI)***

The Group has the following subsidiary that has NCI that is material to the Group.

Name of subsidiary	Principal place of business	Proportion of ownership interest held by NCI	Profit allocated to NCI during the reporting period	Accumulated NCI at the end of reporting period	Dividends paid to NCI
		%	US$'000	US$'000	US$'000
30 June 2015					
PCI Limited	Singapore	23.3	2,648	20,208	3,651
30 June 2014					
PCI Limited	Singapore	23.3	1,167	21,680	1,124

(b) ***Summarised financial information about subsidiary with material NCI***

Summarised financial information including consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests are as follows:

	PCI Limited	
	2015	**2014**
	US$'000	US$'000
Summarised balance sheet		
Current		
Assets	106,522	117,130
Liabilities	(44,053)	(41,968)
Net current assets	62,469	75,162
Non-current		
Assets	24,443	17,957
Liabilities	(324)	(335)
Net non-current assets	24,119	17,622
Net assets	86,588	92,784
Summarised statement of comprehensive income		
Revenue	189,374	178,803
Profit before income tax	13,057	5,799
Income tax expense	(1,690)	(814)
Profit after tax	11,367	4,985
Other comprehensive income	(2,015)	(286)
Total comprehensive income	9,352	4,699
Other summarised information		
Net cash flows from operations	4,209	4,098
Acquisitions of leasehold properties	19,977	–
Proceed from disposal of leasehold property	18,255	–

13. Associate

	Group		Company	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
Quoted shares, at cost	–	47,838	–	47,838
Share of post-acquisition reserves	–	10,671	–	–
Dividends received	–	(9,134)	–	–
Total	–	49,375	–	47,838
Fair value of investment in associate for which there is published price quotation	–	60,394	–	60,394

On 9 February 2015, the Group and the Company disposed its 24.7% interest in CH Offshore Ltd for a consideration of US$70,651,000 (S$95,668,000).

Summarised financial information of the associate not adjusted for the proportion of ownership interests held by the Group are as follows:

	CH Offshore Ltd	
	2015	2014
	US$'000	US$'000
Current assets	–	87,673
Non-current assets	–	170,944
Total assets	–	258,617
Current liabilities	–	(12,384)
Non-current liabilities	–	(6,252)
Total liabilities	–	(18,636)
Net assets	–	239,981
Revenue(1)	21,238	35,137
Profit for the year, representing total comprehensive income for the year(1)	12,975	25,081
Group's share of associate's results for the year	3,092	5,948

(1) The results are disclosed from July 2014 to date of disposal using pro-rated basis.

Details of associate are:

	Country of incorporation	Principal activities	Proportion of ownership interests held by the Group 2015	2014
			%	%
Held by the Company:				
CH Offshore Ltd(1)	Singapore	Investment holding and the owning and chartering of vessels	–	23.8

(1) Audited by Deloitte and Touche LLP, Singapore.

14. Joint operations

	Country of operations	Principal activities	Effective interests held by the Group 2015	2014
			%	%
Held through subsidiaries:				
Held by Ventrade Australia Pty Ltd				
187 Adelaide Terrace Joint Venture	Australia	Property development	50	50
Held by 96 & 102 Terrace Road Pty Ltd				
96 & 102 Terrace Road Joint Venture	Australia	Property development	–	50

15. Investment securities

	Group		Company	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
Non-current assets				
Available-for-sale investments:				
Quoted equity investments, at fair value[(i)]	40,502	63,620	39,182	61,907
Unquoted equity investments, at fair value[(i)]	4,076	4,706	4,076	4,706
Unquoted equity investments, at cost[(i)]	13,589	12,920	2,435	3,273
	58,167	81,246	45,693	69,886
Current assets				
Investments at fair value through profit or loss – held-for-trading investments:				
Quoted equity investments	8,831	11,480	3,361	1,725
Investment at fair value through profit or loss – designated at fair value through profit or loss:				
Unquoted convertible loan	10,571	–	–	–
	19,402	11,480	3,361	1,725

(i) The available-for-sale investments in quoted and unquoted equities are held on a long term basis for strategic purposes in accordance with the Group's and the Company's business plans.

Quoted equity investments offer the Group and the Company the opportunity for return through dividend income and capital gains. There was no impairment charged on quoted equity investments in 2015 (2014: US$45,000).

The investment in unquoted equities include an impairment loss charged to profit or loss for the financial year of US$1,288,000 (2014: US$Nil).

The quoted and unquoted equity investments include investments in certain companies where the Group has more than 20% effective equity interests. However, it has been determined that the Group does not have significant influence in these companies as defined by FRS 28 "Investments in Associates" due to no representation on the board of the investees, non-participation in the policy-making processes including dividends or other distributions, non-existence of material transactions between the Group and the investees, no interchange of managerial personnel and no provision of essential technical information to the investees during the financial year.

16. Other assets

	Group 2015	Group 2014
	US$'000	US$'000
Club memberships, at cost	315	315
Allowance for impairment	(51)	(31)
Total	264	284

During the financial year, an impairment loss of US$20,000 (2014: US$31,000), representing the write-down of a club membership's carrying amount to its recoverable amount was recognised in "other gains, net" in the statement of comprehensive income. The recoverable amount of the club membership was based on its fair value less cost of disposal.

The fair value of club memberships as at 30 June 2015 is US$303,436 (2014: US$344,413).

17. Deferred tax

	Group			
	Balance sheet		Statement of comprehensive income	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
Deferred tax assets:				
Unutilised tax losses	9	–	(9)	–
Deferred tax liabilities:				
Differences in development properties	(1,573)	(2,286)	(300)	424
Differences in depreciation	(324)	(335)	(11)	19
Unremitted foreign interest income	(83)	(236)	(153)	236
Total	(1,980)	(2,857)		
Deferred tax (credit)/expense (Note 6a)			(473)	679

18. Development properties

	Group 2015	Group 2014
	US$'000	US$'000
Completed properties, at cost	16,877	1,063
Properties under development	22,924	38,423
Total	39,801	39,486

18. Development properties (cont'd)

Details of the Group's development properties in progress as at 30 June 2015 are as follows:

Description of properties	Tenure of land	Stage of completion (expected time of completion)	Site area/ gross floor area (square metre)	Effective interest in properties
				%
Concerto				
A 38-storey residential development comprising 226 apartments and 1 commercial unit on Adelaide Terrace, East Perth, Western Australia	Freehold	FY2017	6,303/35,960	100
Unison				
A mixture of 3-storey and 10-storey residential development comprising 347 apartments and 4 commercial units on Railway Parade, Maylands, Western Australia	Freehold	FY2016/18	17,256/26,480	100

Commitments

Capital commitments in relation to development properties contracted for at the end of the reporting period, but not recognised in the financial statements amounted to US$43,499,000 (2014: US$15,380,000).

19. Inventories

	Group	
	2015	**2014**
	US$'000	US$'000
Raw material	15,234	16,460
Work-in-progress	1,198	965
Finished goods	10,761	10,328
Total	27,193	27,753

Inventories recognised as an expense in cost of sales amounted to US$142,752,000 (2014: US$136,214,000) for the Group.

It included the cost of raw materials, consumables and overheads, and the write-back of allowance for slow moving inventories amounting to US$759,000 (2014: US$925,000) for the Group.

Write down of inventories recognised as expenses amounted to US$930,000 (2014: US$Nil) for the Group. The amount was fully recovered subsequently.

20. Trade receivables

	Group		Company	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
Amounts due from external parties	33,505	30,884	15	1
Amounts due from related party	–	2,267	–	–
Total	33,505	33,151	15	1

Trade receivables were non-interest bearing and were generally on 60 days cash terms. They were recognised at their original invoice amounts which represent their fair values at initial recognition.

Based on evaluation of creditworthiness and past collection history of receivables, no provision for receivables that were past due was necessary.

The age analysis of trade receivables is as follows:

	Group		Company	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
Current	29,994	26,983	15	1
Past due:				
Less than 30 days	3,069	1,656	–	–
31 – 60 days	250	3,589	–	–
61 – 90 days	192	923	–	–
Total	33,505	33,151	15	1

Trade receivables subject to offsetting arrangements

The Group regularly purchases electronic raw materials from and sell electronic products to a customer. Both parties have an arrangement to settle the net amount due to or from each other. The Group has also arranged for the trade receivables to be offset against trade payables in relation to the transactions with customers handled by a related party.

The Group's trade receivables and trade payables that are offset are as follows:

	Gross carrying amount	Gross amount offset in the balance sheet	Net amounts in the balance sheet
	US$'000	US$'000	US$'000
2015			
Trade receivables	42,429	(41,905)	524
Trade payables	(46,469)	41,905	(4,564)
2014			
Trade receivables	118,680	(115,820)	2,860
Trade payables	(115,820)	115,820	–

21. Other receivables and prepayments

	Group		Company	
	2015	**2014**	**2015**	**2014**
	US$'000	US$'000	US$'000	US$'000
Current				
Other receivables	1,292	404	–	17
GST/VAT recoverable	2,393	448	–	–
Deposits	457	342	75	1
Prepayments	585	344	5	4
Total	4,727	1,538	80	22
Non-current				
Other receivables	2,114	–	–	–

Movement in the allowance for impairment account:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	US$'000	US$'000	US$'000	US$'000
At 1 July	–	122	–	122
Reversal of impairment	–	(122)	–	(122)
At 30 June	–	–	–	–

Other non-current receivable relates to an unsecured loan extended to a related party for the purposes of property development. The loan bears interest at 6.0% per annum and is not expected to be repaid within the next 12 months. The loan is to be repaid by 2025 and settled in cash.

There was no other receivable which was past due but not impaired as at 30 June 2015 and 2014.

22. Amounts due from subsidiaries

	Company	
	2015	**2014**
	US$'000	US$'000
Amounts due from subsidiaries	103,345	89,676
Allowance for impairment	(34,930)	(35,704)
Total	68,415	53,972
Movement in the allowance for impairment account:		
At 1 July	35,704	35,703
Reversal of impairment	(774)	–
Impairment recognised in profit or loss	–	1
At 30 June	34,930	35,704

Amounts due from subsidiaries were non-trade in nature, unsecured, interest-free and repayable on demand and are to be settled in cash.

23. Derivative financial instruments

	Group			Company		
	Contract/ notional amount	Assets	Liabilities	Contract/ notional amount	Assets	Liabilities
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Current						
2015						
Equity and foreign exchange related contracts	31,646	15	(336)	4,832	–	(54)
2014						
Equity and foreign exchange related contracts	42,646	119	(2)	3,160	8	–

These derivative contracts may be terminated earlier than the maturity dates upon the occurrence of the knock-out event as stipulated in the contracts. The derivative contracts' maturity dates range from 15 July 2015 to 1 July 2016.

24. Cash and bank balances

	Group		Company	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
Cash at bank	101,145	61,987	53,623	13,712
Short term deposits	55,901	59,804	21,061	1,756
Short term deposits pledged for foreign exchange forward contracts	1,448	1,336	–	–
Total	158,494	123,127	74,684	15,468

Short term deposits are placed for varying periods of three months or less, depending on the immediate cash requirements of the Group and the Company. These deposits earn interest rates ranging from 0.04% to 9.00% (2014: 0.01% to 9.00%) per annum.

Short term deposits amounting to US$1,448,000 (2014: US$1,336,000) are pledged to certain financial institutions for the purpose of foreign exchange forward contracts entered into.

25. Borrowings

	Group	
	2015	2014
	US$'000	US$'000
Secured bank loan		
Current	372	–
Non-current	11,262	–
Total	11,634	–

A long term loan of US$11,634,000 denominated in Singapore dollars was raised in November 2014. The loan carries effective interest rates ranging from 1.83% to 2.21% per annum; re-priced monthly and is repayable by year 2021.

The loan is secured by mortgage on the investment properties (Note 11) of the Group and a corporate guarantee issued by the Company.

26. Trade payables

	Group	
	2015	2014
	US$'000	US$'000
Trade payables - external parties	26,272	27,268
Trade payables - related party	4,564	–
Accrued expenses	25	29
Finance lease obligations (Note 37a)	–	261
Total	30,861	27,558

Trade payables and accrued expenses primarily comprise amounts outstanding for trade purchases and ongoing costs.

The credit terms on trade purchases are non-interest bearing and normally range from cash payment to 60 days terms. The Group has financial risk management policies in place to ensure that all payables were within the credit timeframe.

27. Other payables

	Group		Company	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
Current				
Accrued expenses	14,893	15,454	3,306	5,437
Provision	3,677	2,861	–	–
Other payables	770	895	746	782
Total	19,340	19,210	4,052	6,219
Non-current				
Other payables	157	–	–	–

Accrued expenses primarily comprise amounts accrued on overheads. Other payables mainly relate to unclaimed dividends by shareholders.

The following table shows the movement of provision for the financial years ended 30 June 2015 and 30 June 2014:

	Group		
	Excess purchase order	Staff retrenchment	Total
	US$'000	US$'000	US$'000
At 1 July 2013	1,071	1,416	2,487
Arose during the year	269	105	374
At 30 June 2014 and at 1 July 2014	1,340	1,521	2,861
Arose during the year	788	28	816
At 30 June 2015	2,128	1,549	3,677

28. Amounts due to subsidiaries

	Company	
	2015	**2014**
	US$'000	US$'000
Amounts due to subsidiaries	9,896	10,298

The amounts due to subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand and are to be settled in cash.

29. Share capital

	Group and Company			
	2015		**2014**	
	No. of shares	**Share capital**	**No. of shares**	**Share capital**
	'000	US$'000	'000	US$'000
Issued and fully paid ordinary shares:				
At beginning and end of year	933,532	152,009	933,532	152,009

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

30. Reserves

(a) ***Foreign currency translation reserve***

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(b) ***Investment revaluation reserve***

Investment revaluation reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed off or impaired.

(c) ***Capital reserve***

Capital reserve arose as a result of changes in the ownership interests of its subsidiaries that do not result in a loss of control and were accounted for as equity transactions.

31. Related party transactions

The Group enters into transactions with its related parties in the normal course of business and at arm's length. Related parties include the Group's subsidiaries, associate and their subsidiaries and key management personnel and their related parties.

(a) In addition to related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	US$'000	US$'000	US$'000	US$'000
Transactions with companies associated with key management personnel:				
Services received	815	871	–	–
Transactions with subsidiaries:				
Rental expense	–	–	121	125
Auxiliary property management expense	–	–	26	29
Services rendered	–	–	1,004	891
Transactions with associate[1]:				
Rental income	135	197	–	–
Auxiliary property management income	19	29	–	–

[1] Arising from CH Offshore Ltd. CH Offshore Ltd is no longer considered a related party upon disposal of shares by the Company on 9 February 2015. The amount disclosed for 2015 is from 1 July 2014 to date of disposal.

(b) The renumeration of directors and other members of key management during the financial year were as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	US$'000	US$'000	US$'000	US$'000
Directors' fees	216	231	134	144
Salaries, allowances and short term benefits	5,595	4,498	2,663	2,309
Defined contribution plan	143	130	57	55
Total	5,954	4,859	2,854	2,508

The remuneration of the directors and other members of key management is determined by the remuneration committee having regards to the performance of individuals and market trends.

32. Fair value of assets and liabilities

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale.

(a) ***Assets and liabilities that are carried at fair value***

Fair value hierarchy

The Group and the Company categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The following table shows an analysis of each class of assets and liabilities carried at fair value at the end of the reporting period by level of fair value hierarchy:

Group	Note	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
		US$'000	US$'000	US$'000	US$'000
2015					
Financial assets:					
Investments at fair value through profit or loss - held-for-trading investments:					
Quoted equity investments	15	8,831	–	–	8,831
Investment at fair value through profit or loss - designated at fair value through profit or loss:					
Unquoted convertible loan	15	–	–	10,571	10,571
Available-for-sale investments:					
Quoted equity investments	15	40,502	–	–	40,502
Unquoted equity investments	15	–	4,076	–	4,076
Derivative financial instruments:					
Equity and foreign exchange related contracts	23	–	15	–	15
Total		49,333	4,091	10,571	63,995

32. Fair value of assets and liabilities (cont'd)

(a) ***Assets and liabilities that are carried at fair value (cont'd)***

Group	Note	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
		US$'000	US$'000	US$'000	US$'000
2015					
Non-financial assets					
Investment properties:					
Commercial	11	–	24,386	–	24,386
Financial liabilities:					
Derivative financial instruments:					
Equity and foreign exchange related contracts	23	–	336	–	336
2014					
Financial assets:					
Investments at fair value through profit or loss - held-for-trading investments:					
Quoted equity investments	15	11,480	–	–	11,480
Available-for-sale investments:					
Quoted equity investments	15	63,620	–	–	63,620
Unquoted equity investments	15	–	4,706	–	4,706
Derivative financial instruments:					
Equity and foreign exchange related contracts	23	–	119	–	119
Total		75,100	4,825	–	79,925
Financial liabilities:					
Derivative financial instruments:					
Equity and foreign exchange related contracts	23	–	2	–	2

32. Fair value of assets and liabilities (cont'd)

(a) ***Assets and liabilities that are carried at fair value (cont'd)***

Company	Note	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
		US$'000	US$'000	US$'000	US$'000
2015					
Financial assets:					
Investments at fair value through profit or loss - held-for-trading investments:					
Quoted equity investments	15	3,361	–	–	3,361
Available-for-sale investments:					
Quoted equity investments	15	39,182	–	–	39,182
Unquoted equity investments	15	–	4,076	–	4,076
Total		42,543	4,076	–	46,619
Financial liabilities:					
Derivative financial instruments:					
Equity and foreign exchange related contracts	23	–	54	–	54
2014					
Financial assets:					
Investments at fair value through profit or loss - held-for-trading investments:					
Quoted equity investments	15	1,725	–	–	1,725
Available-for-sale investments:					
Quoted equity investments	15	61,907	–	–	61,907
Unquoted equity investments	15	–	4,706	–	4,706
Derivative financial instruments:					
Equity and foreign exchange related contracts	23	–	8	–	8
Total		63,632	4,714	–	68,346

There has been no transfer between Levels 1 and 2 fair value measurements during the financial years ended 30 June 2015 and 2014.

Determination of fair value

Commerical investment properties (Note 11): The valuation of commercial investment propreties are based on comparable market transactions that consider sales of similar properties that have been transacted in the open market.

Quoted equity investments (Note 15): Fair value is determined directly by reference to their published market prices at the end of the reporting period.

32. Fair value of assets and liabilities (cont'd)

(a) ***Assets and liabilities that are carried at fair value (cont'd)***

Determination of fair value (cont'd)

Unquoted equity investments (Note 15): Fair value is determined based on the net asset value published by the fund manager at the end of the reporting period.

Unquoted convertible loan (Note 15): Fair value is determined using binomial model. The model incorporates both observable and non-observable data. Significant unobservable inputs include probability of conversion and implied credit spread. Should the probability of conversion increase/decrease by 25%, the value of the unquoted convertible loan will increase/decrease by US$200,000 respectively. The fair value of unquoted convertible loan is included within Level 3.

Equity and foreign exchange related contracts (Note 23): Over-the-counter ("OTC") contracts are valued using quotations provided by brokers, dealers or any other approved sources, of which fair value is determined based on valuation techniques using observable market parameters as inputs.

(b) ***Financial assets and liabilities whose carrying amount approximates fair value***

Cash and bank balances, trade and other receivables, amounts due from/(to) subsidiaries, borrowings and trade and other payables

The carrying amount of these financial assets and liabilities are reasonable approximation of fair value, either due to their short term nature or that they are floating rate instruments that are repriced to market interest rates on or near the end of the reporting period.

The carrying amounts of loans and receivables and financial liabilities carried at amortised cost are as follows:

		Group		Company	
	Note	**2015**	**2014**	**2015**	**2014**
		US$'000	US$'000	US$'000	US$'000
Loans and receivables:					
Cash and bank balances	24	158,494	123,127	74,684	15,468
Trade receivables	20	33,505	33,151	15	1
Other receivables	21	4,283	748	75	18
Amounts due from subsidiaries	22	–	–	68,415	53,972
Total		196,282	157,026	143,189	69,459
Financial liabilities carried at amortised cost:					
Borrowings	25	11,634	–	–	–
Trade payables	26	30,861	27,558	–	–
Other payables	27	12,998	14,261	3,969	6,160
Amounts due to subsidiaries	28	–	–	9,896	10,298
Total		55,493	41,819	13,865	16,458

(c) ***Unquoted equity investments***

Certain unquoted equity investments are stated at cost less impairment as the fair value of investments cannot be reliably measured because the fair value cannot be obtained directly from quoted market price or indirectly using valuation techniques supported by observable market data. These equity instruments are acquired for long term, strategic investment purposes.

33. Financial risk management objectives and policies

In the normal course of business, the Group is exposed to key financial risks comprising market risk (including price risk, currency risk and interest rate risk), liquidity risk and credit risk. Risk management policies are in place to monitor and manage exposures to financial risks. Foreign exchange contracts and various financial instruments are utilised to manage exposures to foreign exchange and equity price risks arising from operating, financing and investment activities. Speculative trading activities are not carried out.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages the risk.

(a) ***Market risk***

Market risk refers to the risk arising from uncertainty in the future values of the financial instruments, resulting from movements in factors such as equity prices, foreign exchange rates and interest rates.

The Group's exposure to market risk is associated with the future values of its available-for-sale investments, held-for-trading investments and foreign exchange rates.

The Group manages these risks by closely monitoring its investment portfolio with the objective to reduce market risk exposure within acceptable parameters, to minimise potential adverse effects on the Group's financial performance.

(i) *Market price risk*

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk, which are further discussed below), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

The Group and the Company are exposed to market price risk arising from quoted equity investments classified as held-for-trading and available-for-sale, as well as derivative financial instruments. Available-for-sale equity instruments are held for strategic rather than trading purposes. To manage its exposure to market price risk, the Group diversifies its investment portfolio within acceptable parameters as endorsed by the board of directors, through prudent assessment of investments prior to investing and ongoing monitoring of their performances.

Further details of these equity investments and derivative financial instruments can be found in Notes 15 and 23 to the financial statements respectively.

The sensitivity analysis below has been determined based on the exposure to market price risk at the end of the reporting period.

In respect of available-for-sale investments, if equity prices had been 5% higher/lower with all other variables held constant, the Group's and the Company's investment revaluation reserve in equity would have increased/decreased by US$2,026,000 and US$1,960,000 (2014: US$3,181,000 and US$3,095,000), respectively.

In respect of held-for-trading investments and derivative financial instruments, if equity prices had been 5% higher/lower, the Group's and the Company's profit before tax for the financial year ended 30 June 2015 would have increased/decreased by US$426,000 and US$165,000 (2014: US$580,000 and US$87,000), respectively.

33. Financial risk management objectives and policies (cont'd)

(a) *Market risk (cont'd)*

(ii) *Foreign currency risk*

The Group operates mainly in the Asia Pacific region and has exposure to foreign currency risk as a result of transactions denominated in a currency other than the functional currencies of the respective Group entities. These foreign currency risk exposures are mainly United States dollars ("USD"), Singapore dollars ("SGD"), Australian dollars ("AUD"), Hong Kong dollars ("HKD"), Renminbi ("RMB") and Philippine peso ("Peso"). The Group's foreign exchange exposure also arises from the Group's investments in foreign operations.

The Group closely monitors the timing of inception and settlement of transactions. It mainly utilises foreign currency forward contracts to manage its exposure to foreign currency risks. The Group's policies do not allow speculation in foreign currencies.

The table below sets out the Group's and the Company's exposure to foreign currency risk as at the end of the reporting period. Included in the table are the monetary items of the Group and the Company, at US$ equivalent carrying amount, categorised by currencies:

Group	**USD**	**SGD**	**AUD**	**HKD**	**RMB**	**Peso**	**Others**	**Total**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
2015								
Financial assets								
Cash and bank balances	801	69,253	14,897	5,191	5,144	–	2	95,288
Trade receivables	638	21	–	–	–	299	–	958
Other receivables	–	158	2,141	–	14	–	–	2,313
Investment securities	–	11,320	41,390	1,965	–	5,686	–	60,361
Total	1,439	80,752	58,428	7,156	5,158	5,985	2	158,920
Financial liabilities								
Trade payables	541	1,139	–	5	–	–	69	1,754
Other payables	248	7,893	–	–	–	–	–	8,141
Derivatives financial instruments	–	286	–	39	–	–	–	325
Total	789	9,318	–	44	–	–	69	10,220
2014								
Financial assets								
Cash and bank balances	1,867	28,237	18,791	6,007	4,690	–	2	59,594
Trade receivables	744	118	–	–	–	–	–	862
Other receivables	16	156	17	–	23	–	–	212
Derivative financial instruments	–	60	(20)	22	–	–	–	62
Investment securities	–	16,639	64,751	628	–	5,686	–	87,704
Total	2,627	45,210	83,539	6,657	4,713	5,686	2	148,434
Financial liabilities								
Trade payables	2,619	1,174	–	5	–	1	218	4,017
Other payables	214	7,743	–	–	–	–	–	7,957
Total	2,833	8,917	–	5	–	1	218	11,974

33. Financial risk management objectives and policies (cont'd)

(a) ***Market risk (cont'd)***

(ii) *Foreign currency risk (cont'd)*

Company	**SGD**	**AUD**	**HKD**	**Others**	**Total**
	US$'000	US$'000	US$'000	US$'000	US$'000
2015					
Financial assets					
Cash and bank balances	46,351	5,408	1,218	2	52,979
Other receivables	75	–	–	–	75
Amounts due from subsidiaries	16,560	477	–	–	17,037
Investment securities	7,020	37,697	1,444	–	46,161
Total	70,006	43,582	2,662	2	116,252
Financial liabilities					
Other payables	3,699	–	–	–	3,699
Amounts due to subsidiaries	2,084	–	–	–	2,084
Derivative financial instruments	38	–	17	–	55
Total	5,821	–	17	–	5,838
2014					
Financial assets					
Cash and bank balances	4,805	5,688	2,765	2	13,260
Other receivables	4	8	–	–	12
Amounts due from subsidiaries	2,192	1,963	–	–	4,155
Investment securities	8,343	60,664	–	–	69,007
Total	15,344	68,323	2,765	2	86,434
Financial liabilities					
Other payables	4,435	–	–	–	4,435
Amounts due to subsidiaries	2,415	–	–	–	2,415
Total	6,850	–	–	–	6,850

33. Financial risk management objectives and policies (cont'd)

(a) *Market risk (cont'd)*

(ii) *Foreign currency risk (cont'd)*

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change of 5% increase/decrease in the exchange rate of the relevant foreign currencies against the functional currency of the Group and the Company with all other variables held constant. The sensitivity analysis includes all outstanding foreign currency denominated monetary items and available-for-sale equity instruments.

If the relevant foreign currency weakens by 5% against the functional currency of the Group and the Company, profit before tax and equity will decrease/(increase) by:

	Group		Company	
	Profit before tax	Equity	Profit before tax	Equity
	US$'000	US$'000	US$'000	US$'000
2015				
United States dollars	33	–	–	–
Singapore dollars	2,448	209	2,178	209
Australian dollars	1,187	2,883	410	2,626
Hong Kong dollars	46	–	17	–
Renminbi	42	–	–	–
Philippine peso	–	6	–	–
2014				
United States dollars	(10)	–	–	–
Singapore dollars	1,183	270	70	270
Australian dollars	1,055	3,636	430	3,407
Hong Kong dollars	43	–	18	–
Renminbi	38	–	–	–
Philippine peso	–	7	–	–

A 5% strengthening of the relevant foreign currency against the functional currency of the Group and the Company would have resulted in an equal but opposite effect on the financial statements of the Group and the Company, on the basis that all other variables remain constant.

33. Financial risk management objectives and policies (cont'd)

(a) ***Market risk (cont'd)***

(iii) *Interest rate risk*

The Group and the Company are exposed to interest rate risk through the impact of rate changes on interest-bearing assets and liabilities.

Interest rate sensitivity analysis

The sensitivity analysis is determined based on the exposure to interest rates for cash and cash equivalents and borrowings at the end of the reporting period and the stipulated change taking place at the beginning of the respective financial year.

If interest rates had been 1% higher/lower, being a reasonably possible change, and all other variables were held constant, the Group's and the Company's profit before tax for the financial year ended 30 June 2015 would have increased/decreased by approximately US$457,000 and US$211,000 (2014: US$611,000 and US$18,000), respectively.

(b) ***Liquidity risk***

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group closely monitors its working capital requirements and funds available. Sufficient liquidity is ensured through efficient cash management and adequate lines of credit. Cash and bank balances are maintained at a healthy level appropriate to the operating environment and expected cash flows of the Group.

All financial assets and liabilities held by the Group and the Company at the end of the reporting period are receivable and repayable on demand or due within one year, except for the investment securities held long term for strategic purposes and a long term loan taken by a subsidiary company, secured by a mortgage on investment properties.

The following table shows the contractual expiry by maturity of the Group's and the Company's contingent liabilities which relates to financial guarantee contracts. The maximum amount of the financial guarantee contracts is allocated to the earliest period in which the guarantee could be called.

	2015 US$'000				2014 US$'000			
	Within 1 year	1 to 5 years	Over 5 years	Total	Within 1 year	1 to 5 years	Over 5 years	Total
Group and Company								
Guarantees	11,634	–	–	11,634	79	–	–	79

33. Financial risk management objectives and policies (cont'd)

(c) *Credit risk*

Credit risk is the risk of loss that may arise should a counterparty default on its contractual obligations resulting in financial loss to the Group and the Company. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables and investments securities. Cash and short term deposits are placed with reputable financial institutions.

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised on the balance sheets.

(i) *Trade and other receivables*

The Group and the Company have policies in place to ensure that active account monitoring is carried out for the extension of credit terms to customers and only transacts with reputable and creditworthy counterparties. Before accepting any new customers, the Group assesses the potential customers' credit quality. Credit limits are reviewed periodically based on evaluation of customers' financial status.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customers' base being large and unrelated.

Further details of credit risk on trade receivables are disclosed in Note 20 to the financial statements.

(ii) *Investment securities and derivative financial instruments*

The Group's credit risk arising from its investment exposures to issuers of financial instruments is minimised as the Group only transacts with reputable financial institutions that are issued investment grade credit ratings from internationally recognised credit-rating agencies.

34. Capital management

The primary objective of the Group's capital management is to maintain an optimal capital structure to maximise shareholders' value and to support business growth, taking into consideration underlying business risks.

The Group manages its capital through regular reviews to ensure business returns commensurate with the level of risks and adjustments to capital allocations are made in the light of changes in economic conditions. No changes were made in the Group's objectives and policies during the financial years ended 30 June 2015 and 2014.

Debt/equity ratio, which is computed as total liabilities divided by total shareholders' equity (excluding non-controlling interests) for the Group is as follows:

	Group	
	2015	**2014**
	US$'000	US$'000
Total liabilities	68,095	53,379
Equity attributable to the equity holders of the Company	304,425	310,471
Debt/equity ratio	0.22	0.17

The Group is not subject to any externally-imposed capital requirements.

35. Segment information

For management purposes, the Group is organised into business units based on their products and services and has five reportable operating segments as follows:

(a) The investment holding segment is the core business segment of the Group and relates to investments and treasury activities;

(b) The electronics manufacturing services segment is in the business of printed circuit board assembly, custom user interface design and manufacture and full turnkey electronics manufacturing;

(c) The property development segment is in the business of property development;

(d) The property rental and estate management segment is in the business of rental of premises; and

(e) The vessel management segment is in the business of ship agent.

No operating segment has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions on resource allocation and performance assessment. Segment performance is evaluated based on operating profit which in certain respects, as explained in the table below, is measured differently from operating profit in the financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

	Investment holding	Electronics manufacturing services	Property development	Property rental and estate management	Vessel management	Elimination	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
2015							
Revenue							
External sales	4,841	184,614	37,839	4,636	234	–	232,164
Inter-segment sales	19,460	–	797	675	–	(20,932)	–
Total revenue	24,301	184,614	38,636	5,311	234	(20,932)	232,164
Results							
Segment profit	5,479	19,183	4,448	1,300	122	–	30,532
Depreciation/amortisation expense	(8)	(1,489)	–	(848)	(4)	–	(2,349)
	5,471	17,694	4,448	452	118	–	28,183
Business development and other (expenses)/income	1,496	(5,159)	(85)	(9)	(46)	–	(3,803)
Employee benefits expense	(3,311)	(6,656)	–	–	(251)	–	(10,218)
Other gains/(losses), net	16,780	1,261	–	5,399	(2)	–	23,438
Finance costs	–	–	–	(144)	–	–	(144)
Share of results of an associate	3,092	–	–	–	–	–	3,092
Profit/(loss) before tax	23,528	7,140	4,363	5,698	(181)	–	40,548
Income tax (expense)/credit	1,009	(1,169)	(605)	(521)	45	–	(1,241)
Profit/(loss) for the year	24,537	5,971	3,758	5,177	(136)	–	39,307

35. Segment information (cont'd)

	Investment holding	Electronics manufacturing services	Property development	Property rental and estate management	Vessel management	Elimination	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
2014							
Revenue							
External sales	4,587	174,178	19,160	4,428	260	–	202,613
Inter-segment sales	10,003	–	–	703	–	(10,706)	–
Total revenue	14,590	174,178	19,160	5,131	260	(10,706)	202,613
Results							
Segment profit	7,905	17,170	3,128	1,487	179	–	29,869
Depreciation/amortisation expense	(7)	(1,386)	–	(1,178)	(2)	–	(2,573)
	7,898	15,784	3,128	309	177	–	27,296
Business development and other expenses	(847)	(3,438)	(71)	–	(155)	–	(4,511)
Employee benefits expense	(2,795)	(7,410)	–	–	(245)	–	(10,450)
Other gains/(losses), net	3,590	(100)	–	230	4	–	3,724
Share of results of an associate	5,948	–	–	–	–	–	5,948
Profit/(loss) before tax	13,794	4,836	3,057	539	(219)	–	22,007
Income tax expense	(1,364)	(502)	(640)	(312)	–	–	(2,818)
Profit/(loss) for the year	12,430	4,334	2,417	227	(219)	–	19,189
2015							
Other information							
Additions to plant and equipment	15	2,275	–	–	–	–	2,290
Additions to investment properties	–	–	–	24,466	–	–	24,466
Additions to leasehold properties	–	19,977	–	–	–	–	19,977
Gain on disposal of leasehold property	–	–	–	5,136	–	–	5,136
Gain on disposal of an associate	20,965	–	–	–	–	–	20,965
Impairment loss on available-for-sale investments	1,288	–	–	–	–	–	1,288
Impairment loss on other assets	–	20	–	–	–	–	20
Write-back of allowance for slow moving inventories	–	759	–	–	–	–	759
Interest income	661	350	84	–	–	–	1,095
Assets							
Segment assets	194,951	126,161	40,576	30,790	253	–	392,731
Total assets							392,731
Liabilities							
Segment liabilities	4,949	40,362	7,060	12,696	145	–	65,212
Unallocated corporate liabilities	–	–	–	–	–	–	2,883
Total liabilities							68,095

35. Segment information (cont'd)

	Investment holding	Electronics manufacturing services	Property development	Property rental and estate management	Vessel management	Elimination	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
2014							
Other information							
Additions to plant and equipment	16	1,622	–	–	–	–	1,638
Impairment loss on available-for-sale investment	45	–	–	–	–	–	45
Impairment loss on other assets	–	31	–	–	–	–	31
Write-back of allowance for slow moving inventories	–	925	–	–	–	–	925
Interest income	1,073	419	–	–	–	–	1,492
Assets							
Segment assets	216,108	117,193	43,049	8,758	425	–	385,533
Total assets							385,533
Liabilities							
Segment liabilities	8,371	39,258	2,453	744	252	–	51,078
Unallocated corporate liabilities	–	–	–	–	–	–	2,301
Total liabilities							53,379

Geographical information

The Group's operations are mainly located in United States of America, Australia, Singapore, People's Republic of China, Indonesia and Philippines.

Revenue by geographical segment is based on the country in which the counterparty is located.

Segment assets and capital expenditure are analysed based on the geographical location of these assets. Capital expenditure includes the total cost incurred to acquire property, plant and equipment.

35. Segment information (cont'd)

Geographical information (cont'd)

The following is an analysis of revenue and carrying amount of assets by geographical location:

	Revenue		Assets	
Group	**2015**	**2014**	**2015**	**2014**
	US$'000	US$'000	US$'000	US$'000
ASEAN (excluding Singapore)	7,621	8,307	14,108	12,650
Singapore	28,228	38,880	168,843	188,202
Hong Kong	27	8	1,975	1,410
Australia	41,589	22,870	86,728	116,192
United Kingdom	2,554	2,355	77,584	16,434
Belgium	3	363	4,220	13,366
Germany	8,754	5,618	1,602	707
Ireland	23,418	16,385	3,467	4,133
People's Republic of China	22,257	27,005	9,910	12,666
United States of America	86,567	71,588	19,766	15,338
Others	11,146	9,234	4,528	4,435
Total	232,164	202,613	392,731	385,533

The following is an analysis of non-current assets (excluding financial assets) according to its geographical location:

	2015	**2014**
	US$'000	US$'000
ASEAN (excluding Singapore)	3,532	43
Singapore	43,896	66,405
Australia	9	–
People's Republic of China	1,427	906
United States of America	–	1
Total	48,864	67,355

Information about major customers - electronics manufacturing services

In relation to the electronics manufacturing services revenue of US$184,614,000 (2014: US$174,178,000), sale of goods to three major customers contributed a total revenue of approximately US$61,529,000 (2014: US$55,707,000) during the financial year. Sales to each of these customers accounted for more than 8% of the electronics manufacturing services revenue.

36. Contingent liabilities

	Group		Company	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
Guarantees	11,634	79	11,634	79

The Company has provided a corporate guarantee to a bank for a loan of US$11,634,000 (Note 25) taken by a subsidiary.

As at 30 June 2014, the Company provided guarantees to third parties in respect of the ship agency business on behalf of a subsidiary.

37. Commitments

(a) ***Finance lease commitment***

The Group has finance lease for an item of plant and equipment. Ownership of the asset was transferred to the Group upon end of the lease agreement.

Future minimum lease payments under finance lease together with the present value of the net minimum lease payments are as follows:

	Group	
	2015	2014
	US$'000	US$'000
Not later than 1 year	–	261
Present value of minimum lease payments	–	261

(b) ***Operating lease commitments***

As lessee

The Group has entered into non-cancellable operating lease agreements for rental of factory spaces, office premises, residential premises and land. The Company has a non-cancellable operating lease agreement in relation to its office premises.

	Group		Company	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
Minimum lease payments under operating lease recognised as an expense in the year	2,551	3,036	121	125

Future minimum lease payable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group 2015	Group 2014	Company 2015	Company 2014
Not later than 1 year	3,001	2,841	117	126
Later than 1 year but not later than 5 years	3,777	7,203	–	126
Later than 5 years	5,753	9,249	–	–
Total	12,531	19,293	117	252

37. Commitments (cont'd)

(b) ***Operating lease commitments (cont'd)***

As lessor

The Group has entered into lease agreements on its office premises. These non-cancellable leases have remaining lease terms of approximately three years.

Future minimum rental receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2015	**2014**
	US$'000	US$'000
Not later than 1 year	5,807	3,489
Later than 1 year but not later than 5 years	2,679	3,606
Total	8,486	7,095

38. Comparatives

Certain comparatives have been restated to conform with current year's presentation.

30 June 2014	**As previously stated**	**Reclassification**	**Restated**
	US$'000	US$'000	US$'000
Consolidated cash flow statement			
Adjustment for:			
Gain on disposal of derivative financial instruments	(9)	9	–
Net foreign exchange on translation	(96)	433	337
Cash flows from operating activities			
Redemption of structured deposits	15,107	(9)	15,098
Effect of exchange rate changes on cash and bank balances	–	(433)	(433)

39. Approval of the financial statements

The financial statements of the Group for the financial year ended 30 June 2015 were approved and authorised for issue by the board of directors on 14 September 2015.

STATISTICS OF SHAREHOLDINGS
as at 16 September 2015

Share Capital

Total Number of Issued Shares	:	930,032,450
Issued and Fully Paid-up Capital	:	S$265,785,167.05
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per share
Treasury Shares	:	Nil

Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	6	0.06	174	0.00
100 - 1,000	175	1.81	159,883	0.02
1,001 - 10,000	4,833	49.92	33,514,828	3.60
10,001 - 1,000,000	4,629	47.82	244,706,890	26.31
1,000,001 and above	38	0.39	651,650,675	70.07
Total	**9,681**	**100.00**	**930,032,450**	**100.00**

Twenty Largest Shareholders

	Name of Shareholder	No. of Shares	%
1	DB NOMINEES (SINGAPORE) PTE LTD	481,783,490	51.80
2	CITIBANK NOMINEES SINGAPORE PTE LTD	27,341,843	2.94
3	DBS NOMINEES PTE LTD	23,792,800	2.56
4	PEH KWEE CHIM	19,379,000	2.08
5	UNITED OVERSEAS BANK NOMINEES PTE LTD	18,693,642	2.01
6	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	13,906,000	1.50
7	OCBC NOMINEES SINGAPORE PTE LTD	7,852,400	0.84
8	LIM MENG KONG	3,824,500	0.41
9	MORPH INVESTMENTS LTD	3,345,000	0.36
10	LEONG HEIN HAK	3,250,000	0.35
11	NG THIN ONN TONY	3,000,000	0.32
12	UOB KAY HIAN PTE LTD	2,513,100	0.27
13	OCBC SECURITIES PRIVATE LTD	2,391,600	0.26
14	SEAH KIOK LENG	2,210,000	0.24
15	BOH YUN MEI	2,203,000	0.24
16	PHILLIP SECURITIES PTE LTD	2,189,300	0.24
17	SEE BENG LIAN JANICE	2,155,000	0.23
18	LOA SZE PIN	2,150,000	0.23
19	KHONG LAI CHEONG	2,015,000	0.22
20	TAN LAI MENG	2,008,000	0.22
	Total:	**626,003,675**	**67.32**

Substantial Shareholders

	Direct Interest		Deemed Interest	
Name of Shareholder	No. of Shares	%	No. of Shares	%
3P Pte Ltd	478,264,490	51.42 [(a)(b)]	–	–
Peh Kwee Chim	19,379,000	2.08	478,264,490	51.42 [(c)]
Qing Shan Pte Ltd	–	–	478,264,490	51.42 [(b)]
TMF (Cayman) Ltd	–	–	478,264,490	51.42 [(b)]
Peh Siong Woon Terence	–	–	478,264,490	51.42 [(d)]
Beamsbury Limited	–	–	478,264,490	51.42 [(e)]

Notes:

(a) Held in the name of its nominee, DB Nominees (Singapore) Pte Ltd.

(b) 3P Pte Ltd is a wholly-owned subsidiary of Qing Shan Pte Ltd, which is in turn entirely held by TMF (Cayman) Ltd as trustee of a trust constituted by Mr Peh Kwee Chim ("Trust").

(c) Mr Peh Kwee Chim is a director of 3P Pte Ltd and is also the settlor of the Trust, and is therefore deemed, pursuant to Section 4 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") and Section 7 of the Companies Act, Chapter 50 of Singapore (the "CA"), to have an interest in the 478,264,490 shares of the Company held by 3P Pte Ltd.

(d) Mr Peh Siong Woon Terence is a director of 3P Pte Ltd and is also a beneficiary of the Trust, and is therefore deemed, pursuant to Section 4 of the SFA and Section 7 of the CA, to have an interest in the 478,264,490 shares of the Company held by 3P Pte Ltd.

(e) Beamsbury Limited was appointed by TMF (Cayman) Ltd as its nominee corporate director and sole director of Qing Shan Pte Ltd, to manage, control the operations of and determine the policy with respect to Qing Shan Pte Ltd.

Shareholdings held by Public

Based on information available to the Company as at 16 September 2015, approximately 46.45% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

CHUAN HUP HOLDINGS LIMITED

(Co. Reg. No. 197000572R)
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the FORTY-FIFTH ANNUAL GENERAL MEETING of Chuan Hup Holdings Limited ("the Company") will be held at The Board Room, 390 Jalan Ahmad Ibrahim, Singapore 629155 on Thursday, 22 October 2015 at 2.00 p.m. to transact the following business:

(A) ORDINARY BUSINESS:

1. To receive and adopt the Audited Financial Statements for the financial year ended 30 June 2015 together with the reports of the Directors and the Auditor thereon. — Ordinary Resolution 1

2. To declare a first and final tax exempt one-tier dividend of 1 SG cent per ordinary share and a special tax exempt one-tier dividend of 2 SG cents per ordinary share for the financial year ended 30 June 2015. — Ordinary Resolution 2

3. To re-elect Prof. Tan Cheng Han, S.C who is retiring by rotation in accordance with Article 86 of the Company's Articles of Association and who, being eligible, offers himself for re-election. — Ordinary Resolution 3

4. To re-appoint the following Directors of the Company to hold such office from the date of this Annual General Meeting until the next Annual General Meeting of the Company pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore or (if then no longer in force) for such other period as may be permitted:

   (a) Mdm Joanna Young Sau Kwan — Ordinary Resolution 4
   (b) Mr Peh Kwee Chim — Ordinary Resolution 5

5. To approve Directors' fees of SGD180,000 for Non-Executive Directors for the financial year ended 30 June 2015 (FY 2014: SGD180,000). — Ordinary Resolution 6

6. To re-appoint Messrs Ernst & Young LLP as Auditor of the Company and to authorise the Directors to fix their remuneration. — Ordinary Resolution 7

(B) SPECIAL BUSINESS:

7. To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution: — Ordinary Resolution 8

   That authority be and is hereby given to the Directors of the Company to:

   (a) (i) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent of the total number of issued shares in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20 per cent of the total number of issued shares in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (the "SGX-ST")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares in the capital of the Company at the time this Resolution is passed, after adjusting for:

    (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

    (ii) any subsequent bonus issue or consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

8. To transact any other business as may properly be transacted at an Annual General Meeting Ordinary Resolution 9

NOTICE IS HEREBY GIVEN that, subject to the approval of shareholders to the first and final and special dividends being obtained at the Forty-Fifth Annual General Meeting to be held on 22 October 2015, the Transfer Books and the Register of Members of the Company will be closed on 6 November 2015 for the preparation of dividend warrants.

Duly completed transfers in respect of ordinary shares of the Company received by the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road, #02-00, Singapore 068898 up to 5.00 p.m. on 5 November 2015, will be registered to determine shareholders' entitlements to the proposed first and final and special dividends. Shareholders whose Securities Accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 5 November 2015, will be entitled to the proposed first and final and special dividends.

The first and final and special dividends, if approved by shareholders at the Annual General Meeting, will be paid on 18 November 2015.

By Order of the Board

Valerie Tan May Wei
Company Secretary
7 October 2015

EXPLANATORY NOTES ON ORDINARY BUSINESS TO BE TRANSACTED

Ordinary Resolution 3 Prof. Tan Cheng Han, S.C, will upon re-election, continue to serve as the Chairman of the Board of Directors, the Chairman of the Remuneration and Nominating Committees and a member of the Audit Committee. Prof. Tan is considered an independent director.

Ordinary Resolution 4 Mdm Joanna Young Sau Kwan, will upon re-appointment, continue to serve as the Chairman of the Audit Committee and a member of the Remuneration and Nominating Committees. Mdm Young is considered an independent director.

Ordinary Resolution 5 Mr Peh Kwee Chim, will upon re-appointment, continue to serve as a member of the Nominating Committee. Mr Peh is considered a non-independent director.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Kindly note that by attending the Annual General Meeting, the members of the Company, their proxy(ies) and/ or representative(s) consent to the video-recording of the proceedings of the Annual General Meeting, for the Company's records.

For the convenience of shareholders, the Company will arrange for a bus to pick up shareholders attending the above meeting from SBS Bus Stop B23 Boon Lay Way (outside Lakeside MRT Station), on Thursday, 22 October 2015. The bus will leave for Chuan Hup Holdings Limited at 1.15 p.m. sharp on that day.

CHUAN HUP HOLDINGS LIMITED
(Co. Reg. No. 197000572R)
(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING
PROXY FORM

IMPORTANT:
1. For investors who have used their CPF monies to buy shares in the capital of Chuan Hup Holdings Limited (the "Company"), the Annual Report 2015 is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Annual General Meeting as OBSERVERS have to submit their requests through their CPF Approved Nominees so that their CPF Approved Nominees may register within the specified time frame, with the Company's Share Registrar. (CPF Approved Nominees: Please refer to note 8 on the reverse side of this form on the required details).
4. CPF investors who wish to vote must submit their voting instructions to their CPF Approved Nominees to enable them to vote on their behalf.

Personal Data Privacy
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 7 October 2015.

I/We ______________________________ (Name)

______________________________ (NRIC/Passport Number)

of ______________________________ (Address)

being a member/members of Chuan Hup Holdings Limited (the" Company") hereby appoint :

NAME	ADDRESS	NRIC/ PASSPORT NUMBER	PROPORTION OF SHAREHOLDINGS	
			No. of Shares	%

and/or (delete as appropriate)

NAME	ADDRESS	NRIC/ PASSPORT NUMBER	PROPORTION OF SHAREHOLDINGS	
			No. of Shares	%

or failing the person, or either or both of the persons, referred to above, the Chairman of the Forty-Fifth Annual General Meeting of the Company ("Annual General Meeting") as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Annual General Meeting to be held at The Board Room, 390 Jalan Ahmad Ibrahim, Singapore 629155 on Thursday, 22 October 2015 at 2.00 p.m. and at any adjournment thereof.

(Please indicate your vote "For" or "Against" with a tick [✓] within the boxes provided. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any matter arising at the Annual General Meeting).

ORDINARY BUSINESS

No.	ORDINARY RESOLUTIONS	No. of Votes For*	No. of Votes Against*
1.	Adoption of Financial Statements and Reports		
2.	Declaration of First and Final and Special Dividends		
3.	Re-election of Prof. Tan Cheng Han, S.C as Director		
4.	Re-appointment of Mdm Joanna Young Sau Kwan as Director		
5.	Re-appointment of Mr Peh Kwee Chim as Director		
6.	Approval of Directors' Fees		
7.	Re-appointment of Messrs Ernst & Young LLP as Auditor		

SPECIAL BUSINESS

	ORDINARY RESOLUTION		
8.	Issue of additional shares and convertible instruments		

*If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick [✓] within the relevant box provided. Alternatively, if you wish to exercise your votes for both "For" and "Against" the relevant resolution, please indicate the number of Shares in the boxes provided.

Dated this __________ day of ____________________ 2015

Total Number of Shares held:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature(s) or Common Seal of Member(s)

IMPORTANT: Please read notes on the reverse side

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Please Affix
Postage
Stamp

The Company Secretary
CHUAN HUP HOLDINGS LIMITED
390 Jalan Ahmad Ibrahim
Singapore 629155

1st fold here

NOTES TO PROXY FORM:

1. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint one or two proxies to attend and vote instead of him. A proxy need not be a member of the Company. The appointment of a proxy or proxies by this instrument shall not preclude a member from attending and voting in person at the Annual General Meeting. If a member attends the Annual General Meeting in person, the appointment of a proxy or proxies shall be deemed to be revoked, and the Company reserves the right to refuse to admit such proxy or proxies to the Annual General Meeting.
2. Where a member appoints two proxies, the appointment shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
3. This instrument of proxy or proxies must be signed by the appointor or his duly authorised attorney, or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or duly authorised officer.
4. A corporation which is a member may also authorise by resolution of its directors or other governing body an authorised representative or representatives in accordance with its Articles of Association and Section 179 of Companies Act, Chapter 50 of Singapore, to attend and vote on its behalf.
5. This instrument appointing a proxy or proxies (together with the power of attorney if any, under which it is signed or a certified copy thereof) must be deposited at the registered office of the Company at 390 Jalan Ahmad Ibrahim, Singapore 629155, not less than 48 hours before the time appointed for holding the Annual General Meeting.
6. A member should insert the total number of shares held in this instrument of proxy. If the member has shares entered against his name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members, he should insert that number of shares. If the member has shares entered against his name in the Depository Register as well as shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this instrument of proxy will be deemed to relate to all the shares held by the member.
7. The Company shall be entitled to reject this instrument of proxy or proxies if it is incomplete, or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this instrument of proxy. In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register at 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.
8. CPF Approved Nominees acting on the request of the CPF investors who wish to attend the Annual General Meeting as Observers are requested to submit in writing, a list with details of the investors' names, NRIC/Passport numbers, addresses and number of shares held. The list, signed by an authorised signatory of the CPF Approved Nominee, should reach the Company's Share Registrar, Tricor Barbinder Share Registration Services (A division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road, #02-00 Singapore 068898, at least 48 hours before the time fixed for holding the Annual General Meeting.

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Chuan Hup Holdings Limited
(Co. Reg. No. 197000572R)

390 Jalan Ahmad Ibrahim, Singapore 629155
Tel: (65) 6559 9700 Fax: (65) 6268 1937
Website: www.chuanhup.com.sg
Email: corpsec_legal@chuanhup.com.sg