CHUAN HUP HOLDINGS LIMITED

ANNUAL REPORT

2014

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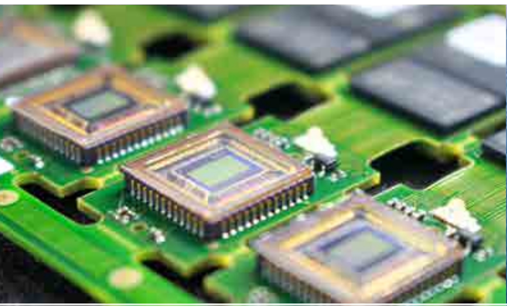
ABOUT US



Chuan Hup Holdings Limited ("Chuan Hup") was founded in 1970 as a tug and barge service provider for the PSA Corporation in Singapore. Chuan Hup subsequently developed a core competency in the provision of marine transportation services to the mining and energy sectors within the ASEAN region. In so doing, Chuan Hup established itself as one of the leading owners and operators of marine transport equipment to the resource industry. The Company has been listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST") since 1983. Chuan Hup diversified its activities into other areas such as electronics manufacturing services and property development. Its business unit in the electronics manufacturing services industry was listed on the Sesdaq of the SGX-ST in 1992 and thereafter transferred to the Mainboard of the SGX-ST in 1995. PCI Limited ("PCI") has since formed part of Chuan Hup's core investment portfolio. Subsequent to the mandatory conditional cash offer launched by Chuan Hup in May 2011, PCI became a subsidiary of Chuan Hup.

In 2002, Chuan Hup reorganised its marine business, based on industry focus, into two distinct business units. The two separate business operations mainly comprised offshore support services to the oil and gas industry and marine logistics services. The business unit which provided offshore support services to the oil and gas industry was listed as CH Offshore Ltd ("CHO") on the SGX-ST in 2003.

During 2005, Chuan Hup divested its entire marine logistics services business and 29.1%, out of a total interest of 52.8%, in CHO to Scomi Marine Berhad ("Scomi"), for a consideration in cash and 28.9% interest in Scomi. Vessel management activities were subsequently scaled down. The entire shareholding in Scomi was divested in 2011. Chuan Hup has retained its shareholding interest in CHO and remains a substantial shareholder to-date.

Chuan Hup has been involved 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, which was fully sold in record time. It has invested in properties 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 been well received and fully sold on completion. Current development projects include the Symphony City and Unison in Perth and the Signa Designer Residences in Manila. Chuan Hup recently accepted an option to purchase three office floors in Singapore's central business district for the purpose of long-term investment.

With the successful public listing of its business units in the electronics manufacturing services industry and the offshore support services to the oil and gas industry over the last two decades, Chuan Hup has repositioned itself as an investment holding company with a diversified portfolio of core investments in industries in relation to electronics manufacturing services, offshore support services to the oil and gas industry, property development and property investment.

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

FY2014 Financial Performance

For the year in review, financial markets experienced volatility due to expectations of potential impact and uncertainty in timing of policies adopted by the US to reverse its quantitative easing measures, amidst rising political tension in various regions.

Group revenue for FY2014 of USD 202.61 million was 17% below USD 243.97 million for FY2013. The remaining 18% of Adagio Apartment units was substantially sold and settled during the year. Soft demand experienced by our subsidiary, PCI Limited ("PCI"), led to a 3% decrease in revenue contribution from electronics manufacturing services activities.

Group profit after tax for FY2014 was USD 19.19 million, slightly above USD 19.17 million in FY2013. Effective cost control measures implemented by PCI was evident in the improved operating margins achieved during the year. Liquidation of certain held-for-trading investments resulted in a net loss of USD 0.32 million. Profit contribution from property sales was 81% lower, as 82% of Adagio apartment units were sold and settled in FY2013. Share of profit from our associate, CH Offshore Ltd, was USD 5.95 million, as compared to FY2013's negative contribution of USD 1.69 million due to an impairment of USD 45.95 million recognised on its trade receivable.

The Group maintained a strong financial position in FY2014. Cash and bank balances as at 30 June 2014 amounted to USD 123.13 million, of which PCI's cash and bank balances accounted for USD 57.21 million. Additional equity investments and higher mark to market valuations raised total equity investments to USD 92.73 million, as compared to USD 70.91 million as at 30 June 2013. Development properties of USD 39.49 million related to the ongoing residential property developments in Australia.

Building on Our Foundation for Growth

Strong interest was expressed by local Australian and foreign buyers in the last 2 stages of our Symphony City project in Perth. Since the launch of Toccata, a 21-storey building of 45 luxury apartments, in March 2014, sales contracts for 66% of its apartment units have been secured. Studio and 1-bedroom apartments of Concerto have been fully taken up, after its recent launch in 5 cities. This 36-storey tower will be the tallest apartment building in East Perth. Benefiting from the increased demand in Perth inner city apartments, Adagio Apartment units were fully sold since its completion at the end of FY2013. Sales proceeds stemming from the Adagio project were re-invested in a 17,256 square metres freehold land in the trendy suburb of Maylands, situated about 4.5 kilometres from Perth's central business district. Development approval was obtained for this project, Unison, to develop a total of 347 apartments and 4 commercial lots over 2 stages.

Income recognition of property sales will be staggered, as its timing is dependent on settlements performed, upon completion of the respective development projects, scheduled to take place over the next 3 financial years.

Construction of Signa Designer Residences, a high-end condominium project within the Makati financial district, Philippines, is progressing well. This is jointly developed by Robinsons Land Corporation and Security Land Corporation, in which the Group has an equity stake. Tower 1, scheduled for completion in 2015, is currently 90% completed and 84% sold.

The Group's long-term strategy is to diversify its investment portfolio and establish more consistent and sustainable sources of income. Subsequent to year end, we accepted an option to purchase strata titled office units, comprising the 20th to 22nd floors of GB Building at Cecil Street, which is located in Singapore's central business district. Completion of the purchase is scheduled to take place on 17 November 2014. These office units will form part of the Group's long-term investment portfolio, with an intention for the properties to generate recurring rental income.

Corporate Social Responsibility

The Group remains committed to giving back to the community by providing financial assistance to needy students. This has translated to sponsoring and supporting various school projects during the year, to cater to these students' educational needs. We have also continued to make contributions to the Singapore Cancer Society and support its fund-raising activities.

Dividend

The Board is pleased to recommend a one-tier tax-exempt first and final dividend of 1 SG cent per ordinary share for FY2014, which amounts to SGD 9.34 million. This represents 39% of Group profit after tax, which is in line with our policy to pay dividends of up to 50% of net profit. In determining the quantum of dividend, the Board has given due consideration to capital requirements of the impending acquisition of 3 floors of GB Building office units, as well as ensuring an availability of funds to seize future investment opportunities.

Looking Ahead

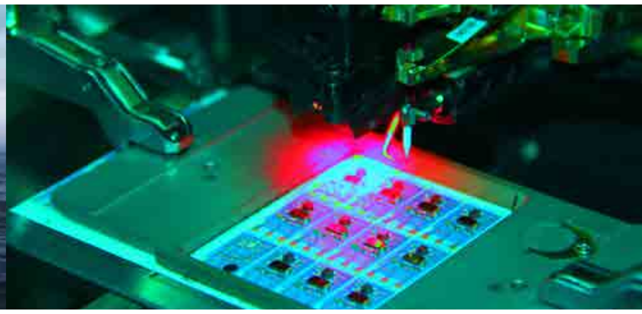
Although growth prospects of Asian economies are slightly more positive, the pace of improvement in the global economy remains sluggish. Uncertainty continues due to geopolitical risks that may lead to volatility in the financial markets and depressed investor sentiments. Whilst Australia is expected to experience slower growth, our residential developments, with quality finishing and resort-style facilities in prime locations, are well-positioned to meet the demands of the urban lifestyle market. We remain focused on our long-term strategy to grow our investment portfolio based on strong fundamentals, to derive capital gains and generate a more reliable and consistent stream of earnings.

In Appreciation

On behalf of the Board, I would like to express my heartfelt thanks to our shareholders, business partners and customers for their support and continued confidence in Chuan Hup. I would also like to thank my fellow Directors for their valuable guidance and commitment. Last but not least, I would like to thank the Management team and staff for their dedication and tireless efforts throughout the year.

Prof. Tan Cheng Han, S.C.
Non-Executive Chairman
8 September 2014

OUR INVESTMENTS



Our Commitment

As an investment holding company, Chuan Hup is committed towards achieving sustainable growth in the long-term for its shareholders. We adopt a prudent and disciplined approach in our investment decisions, maintaining a consistent focus on core fundamentals with a long-term perspective. Our investment portfolio is closely monitored and carefully assessed. We do not engage in speculative trading activities nor invest in speculative stocks. We continually seek opportunities to enhance our returns over the short-term and long-term horizon. Our investment decisions to rebalance our portfolio are made based on market opportunities, and the criteria of providing high levels of income through dividends, interest yield and capital growth.

Core 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.

i. Electronics Manufacturing Services

Chuan Hup has been a substantial shareholder of PCI Limited ("PCI") for many years. PCI is an electronics manufacturing services company engaged in the assembly of printed circuit board, customer interface design and manufacture, and full turnkey electronics manufacturing. It commands a global customer base of leading technology companies, as it adds value by offering services at all points in the manufacturing outsourcing cycle, which includes design, manufacturing engineering, material sourcing and procurement, assembly, test and logistics. 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.

In the midst of challenging business environment and uncertain global economic outlook, PCI has continued to increase its customer base. It is evident that PCI has forged a reputation for its strong operating capabilities and technical competencies. PCI will continue its efforts to deepen relationships with its customers. Ongoing investments are made to further advance its technical know-how and increase operational efficiencies, as this is the foundation upon which PCI's success is built. 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 76.70%.

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. As at 30 June 2014, our shareholding interest amounts to 17.54%.

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 Pilbara office buildings 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 on 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. Finbar has been selected by the State Government of Western Australia as the preferred developer of residential apartment accommodation in Port Hedland. The recently completed project represents the first residential and commercial high rise building in that region, which provides an alternative lifestyle to communities that support the resources sector to live there permanently. With a significant expansion of the inner city Perth apartment market, driven by increased demand from local and overseas buyers, as well as greater competition from local property developers, Finbar is well-positioned to take on larger residential projects as it enters its 20th year as a residential property developer.

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 will be 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 fully sold. Settlement of the last apartment unit will take place in December 2014. Construction of Toccata is currently underway. It will be a 21-storey tower, comprising 45 luxury apartments and 2 commercial units. 66% of apartment units have been sold since its launch in March 2014. Completion of this project is estimated in FY2015. Concerto, the final stage of the Symphony City project, will be the tallest apartment building in East Perth. This 36-storey residential tower, comprising New York-style and luxury apartments that form a total of 226 apartment units, was launched in August 2014 simultaneously in 5 cities. 80 apartments were sold during the opening week of marketing. All studio and 1-bedroom apartments are now fully sold. Completion is expected in FY2017.

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

Unison, Maylands, Western Australia

In the first half of FY2014, we purchased a 17,256 square metres freehold land in Maylands, Perth. The site is about 4.5 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 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 FY2017 respectively. This development will feature 3-storey walk-up apartments and 10-storey apartment blocks, offering city views and resort style facilities. The entire Unison development will comprise a total of 347 apartment units and 4 commercial lots. Unison on Tenth is scheduled to be launched in September 2014.

Office units in GB Building, Cecil Street, Singapore

On 8 September 2014, we accepted an option to purchase 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. The office space on each floor enjoys excellent views of the surrounding area, characterized by a column-free plate setting, which is a well sought after design as it allows maximum flexibility and efficiency in the usage of space. GB building is a 23-storey office tower, above a 3-storey commercial podium and 3 levels of basement carpark facilities. It is situated in the heart of Singapore's central business district, well within walking distance of the Tanjong Pagar MRT station and the upcoming Shenton Way MRT station, and affords great convenience with the abundance of amenities in its immediate vicinity. Completion of the purchase is scheduled to take place on 17 November 2014. 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 our available-for-sale investment. 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, 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. Sales of 84% has been achieved for Tower 1 and construction is about 90% complete. Delivery to buyers is scheduled for the first quarter of 2015. Tower 2 apartments have been 44% sold, whilst construction is about 60% complete. 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. The entire development project is scheduled to complete in 2016.

The adjacent office building, wholly owned by SLC, was fully renovated and refurbished in 2012. With the increase in lettable area and high quality tenants secured, the office building continues to be fully leased. 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.

iii. Marine

We have remained a substantial shareholder of CH Offshore Ltd ("CHO"), since its incorporation in 1976. CHO has been listed on Mainboard of the SGX-ST since 2003. Our shareholding interest amounts to 23.76%. With more than 30 years of experience, CHO has provided almost every facet of offshore support services to the oil and gas industry worldwide, spanning offshore oil and gas exploration to development and production activities. Such services include supporting seismic surveys, towing and anchor handling of drilling rigs and equipment, transportation of supplies and personnel, work-over and production activities as well as supporting pipe-laying and other offshore construction activities.

CHO's clients include most oil majors and other customers situated in South East Asia, the Middle East, the Americas, Africa and Russia. It manages a modern young fleet of 15 offshore support vessels which are well maintained and upgraded as required, to remain relevant to its customers' needs. Through its firm commitment towards quality, reliability and high service standards, CHO has forged excellent relationships with its customers. Its strong financial position places CHO in good stead to expand its fleet should opportunities arise and further strengthen its global presence.

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. Without any bank borrowings, we have actively managed 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.

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 Anwell Technologies Limited, 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 25 October 2012 and will be due for re-election at the coming Annual General Meeting ("AGM").

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 June 2010 to August 2013.

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 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-elected on 25 October 2012 and will be due for re-appointment pursuant to Section 153(6) of 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. He is also a Director of CHO.

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-elected on 25 October 2013 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 has been the Honorary Auditor of the Chinese Women's Association since 1972.

Mdm Young is also a Non-Executive, Independent Director of CHO. She is the 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 25 October 2012 and will be due for re-election at the coming AGM. Mr Lim is a member of the Audit and Remuneration Committees.

Mr Lim was also a Non-Executive Director of PCI Limited 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.

KEY MANAGEMENT

Ms Valerie Tan May Wei
Head, Legal and Corporate Secretarial & 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 CH Offshore Ltd ("CHO") and the Company Secretary of PCI Limited.

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 taxation 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 16 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.

Prior to joining Chuan Hup, Mr Wan was Group Chief Financial Officer of The Straits Trading Company Limited. Prior to that, he was 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 related projects.

Prior to joining Chuan Hup, Ms Teng was Vice President, Finance in The Straits Trading Company Limited group of companies. From 2000 to 2009, she was responsible for all areas of management, financial and statutory reporting and tax matters, in relation to the group's hospitality and media business units and its Australian property investments. Ms Teng commenced her career in 1994 as an auditor with Foo Kon Tan Grant Thornton LLP. In 1997, she joined Ernst & Young in Perth as an auditor and later became a member of its management consulting team. Over the past 20 years, she has cumulated industry experience in financial management and reporting, tax planning, risk management, in addition to external and internal audits, and management consulting projects of governmental, listed, charitable and private entities in the resources, property, manufacturing, financial and hospitality related sectors.

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

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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 Adrian Koh
Appointed with effect from the financial year ended 30 June 2010

Financial Year End	30 June 2014
Announcement of First Quarter Financial Results	8 November 2013
Announcement of Half-Year Financial Results	7 February 2014
Announcement of Third Quarter Financial Results	9 May 2014
Announcement of Full Year Financial Results	14 August 2014
Dispatch of Annual Report to Shareholders	9 October 2014
Annual General Meeting	24 October 2014
Book Closure to Register Members for First and Final Dividend	7 November 2014
Proposed Payment of First and Final Dividend	18 November 2014

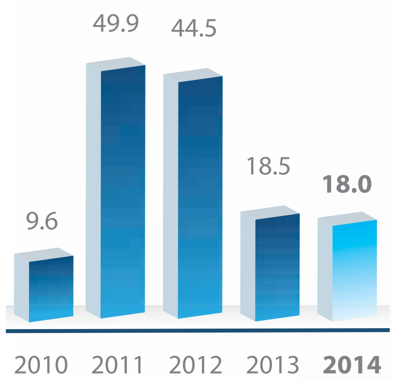
GROUP FINANCIAL HIGHLIGHTS

Financial year ended 30 June	**2014 US$'000**	2013 US$'000	2012 US$'000	2011 US$'000	2010 US$'000
INCOME STATEMENT					
Revenue					
Investment holding [1]	**4,781**	5,596	8,950	8,461	6,208
Electronics manufacturing services	**174,178**	178,965	234,504	42,534	-
Property development and management	**23,394**	58,895	4,576	950	106,690
Vessel management	**260**	510	337	227	726
	202,613	243,966	248,367	52,172	113,624
Profit/(Loss) Before Tax					
Investment holding	**13,985**	4,458	38,199	49,459	1,863
Electronics manufacturing services	**4,836**	2,705	6,919	1,201	-
Property development and management	**3,405**	15,992	748	200	11,290
Vessel management	**(219)**	(100)	(50)	(629)	(744)
	22,007	23,055	45,816	50,231	12,409
Profit Attributable to Equity Holders of the Company	**18,023**	18,462	44,459	49,911	9,629
BALANCE SHEET					
Non-current assets					
Property, plant and equipment	**3,440**	24,731	45,680	50,447	38,522
Prepaid lease payment	**14,256**	15,265	16,340	18,111	-
Associate	**49,375**	45,970	53,090	-	-
Investment securities	**81,246**	59,014	61,138	117,319	154,522
Other non-current assets	**284**	315	667	527	1
Current assets					
Development properties	**39,486**	15,634	-	-	-
Inventories	**27,753**	26,555	36,795	38,775	-
Other current assets	**35,086**	132,164	43,530	37,633	2,773
Investment securities	**11,480**	11,895	29,964	29,168	21,569
Cash and bank balances	**123,127**	123,615	81,606	78,556	28,477
Total Assets	**385,533**	455,158	368,810	370,536	245,864
Current liabilities	**50,522**	140,151	63,856	62,916	11,792
Non-current liabilities	**2,857**	2,138	406	491	-
Equity attributable to equity holders of the Company	**310,471**	291,161	281,920	284,277	234,069
Non-controlling interests	**21,683**	21,708	22,628	22,852	3
Total Equity and Liabilities	**385,533**	455,158	368,810	370,536	245,864
Per Ordinary Share					
Net tangible assets per share (US cents)	**33.26**	31.19	30.20	30.45	25.06
Earnings per share (US cents)	**1.93**	1.98	4.76	5.35	1.00
Dividend per share (SG cents)	**1.00**	2.00	1.00	1.00	-
Financial Ratios					
Dividend payout ratio (%)	**41.49**	80.06	16.52	15.02	-
Return on total assets (%)	**4.67**	4.06	12.05	13.47	3.92
Return on average equity (%)	**5.99**	6.44	15.70	19.26	4.25

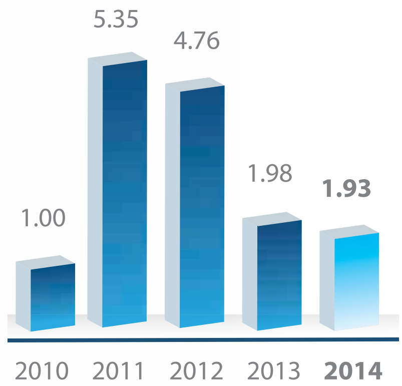
[1] Comparatives have been restated to conform with current year's presentation.

GROUP FINANCIAL HIGHLIGHTS

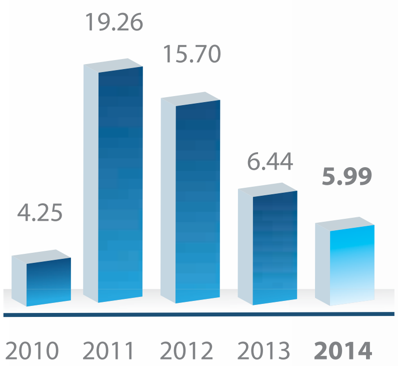
Profit attributable to shareholders (US$ million)



Earnings per share (US cents)

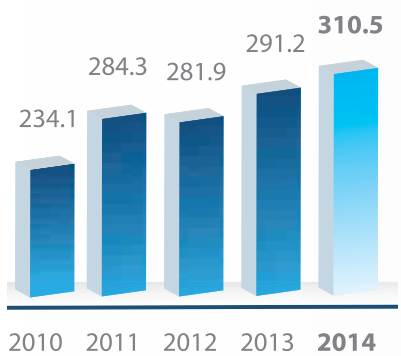


Return on average equity (%)

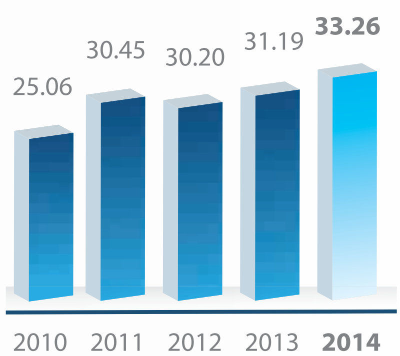


Dividend per share (SG cents)

Shareholders' equity (US$ million)



Net tangible assets per share (US cents)



CORPORATE GOVERNANCE REPORT

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 2014 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 its Affairs
(Principle 1)

The Board oversees the business affairs of the Group. It provides leadership and guidance to Management, sets strategic objectives, ensures that the necessary financial and human resources are in place and reviews Management performance. The Board also ensures the adequacy of the Group's control and risk framework 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.

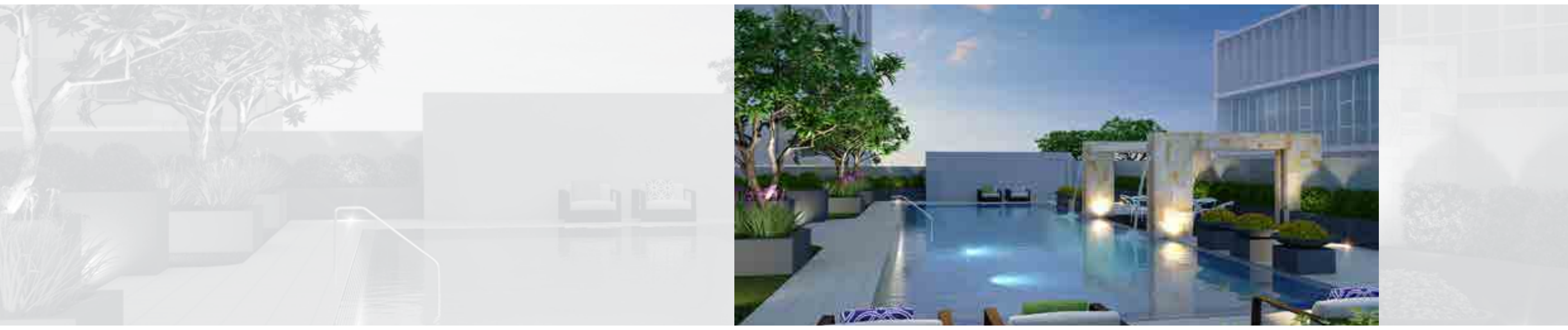
The Board meets on a regular basis. Where necessary, additional Board meetings are held to deliberate on urgent substantive matters. An aggregate of 6 Board meetings were held for the financial year ended 30 June 2014. Details of the attendance of Board members at Board meetings and meetings of the various Board Committees for the financial year ended 30 June 2014 are set out on page 20 of this Annual Report.

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.

The Nominating Committee reviews the independence of each Director taking into account the guidance provided in the Code. 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 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. 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.

All 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. The Nominating Committee and the Board are of the view that, setting a maximum number of listed company board representations a Director may hold is not meaningful, as the effectiveness of a Director should be evaluated by a qualitative assessment of his contributions to the Company's affairs taking into account his other commitments including his directorships in other listed companies. The Nominating Committee is of the view that the number of listed company board representations and other principal commitments held presently by some Directors do not impede their respective performance in carrying out their duties to the Company.

Board Performance
(Principle 5)

The Board believes that Board performance is ultimately reflected in the long-term performance of the Group. 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 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 Board also has access to independent professional advice, where appropriate, 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 as well as for the key management personnel; and

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

The objective of the Group's remuneration policy is to specify a remuneration framework to attract, to retain and to motivate key management employees by remunerating competitively and appropriately, commensurate with their performance and contributions. The remuneration framework further aims to align rewards with prudent risk-taking and balance short-term remuneration with longer-term performance.

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 of the Group as a key performance measure. 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 2014, there were no termination, retirement and post-employment benefits granted to Directors and key management personnel.

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 recieve Directors' fees.

The Directors' remuneration is disclosed below. The remuneration of the top four key executives in the Group who are not also Directors 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 and key management personnel.

REMUNERATION PAID OR ACCRUED TO DIRECTORS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

Directors of Company	Fixed Component [1] %	Variable Component [2] %	Directors' Fees %	Total Compensation %
US$600,000 to US$799,999				
Mr Peh Kwee Chim	46	54	-	100
Mr Peh Siong Woon Terence	46	54	-	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 earned, 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 EXECUTIVES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014			
Key Executives of Company	**Fixed Component (1) %**	**Variable Component (2) %**	**Total Compensation %**
US$200,000 to US$399,999			
Liew Ngin Moi	53	47	100
Teng Yuun Yean	52	48	100
Valerie Tan May Wei	57	43	100
Below US$200,000			
Eldon Wan(3)	71	29	100

Notes:
1. Fixed component refers to base salary earned, allowances, benefits in kind and employer CPF.
2. Variable component refers to AWS, variable bonus and employer CPF.
3. Mr Eldon Wan joined the Company on 9 May 2014.

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 auditors 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 Chief Financial Officer that:

(a) The financial records of the Group have been properly maintained and the financial statements for the year ended 30 June 2014 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 Chief Financial Officer, the Board, with the concurrence of the Audit Committee, is of the opinion that the Group's internal controls were adequate as at 30 June 2014 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 Audit Committee meets at least four times a year. The Audit Committee's duties include:

(a) Review with the external auditor the audit plan including the nature and scope of the audit before its commencement, their evaluation of the accounting systems and internal controls, their report on the audit of the year end financial statements and their Management letter 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, half-year and annual 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 of the Company's internal controls, including financial, operational, compliance and information technology controls, and reporting on any pertinent aspects of risks thereto, and ensure that a review of the effectiveness of the Company's internal controls is conducted at least annually and such a review can be carried out by the internal and/or external auditor;

(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 arrangement by which staff of the Company 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 and its significant associated company, CH Offshore Ltd, are audited by different auditors. The names of these auditors are listed on pages 55 to 58 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 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 FY2014 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.

Whistleblowing Policy

The Company has implemented a whistleblowing policy, which serves to encourage and provide a channel to employees 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.

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.

COMMUNICATION WITH SHAREHOLDERS

Shareholder Rights and Communication with Shareholders
(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.

All shareholders of the Company are sent a copy of the Annual Report and notice of the Annual General Meeting. The notice of Annual General Meeting, which sets out all items of business to be transacted at the Annual General Meeting, is also advertised in the newspapers. The Company also maintains a website at www.chuanhup.com.sg where the public can access information on the Group.

The Group believes in encouraging shareholder participation at general meetings. 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, 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 Chairman of each of the Audit, Remuneration and Nominating Committees, or members of the respective Committees standing in for them, are present at each Annual General Meeting, and other general meetings held by the Company, if any, to address shareholders' queries. Senior Management is also present at general meetings to respond, if necessary, to operational questions from shareholders that may be raised.

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 Company 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.

CORPORATE GOVERNANCE REPORT

Interested Person Transactions Policy

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

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

Interested Person Transactions	Aggregate value of all IPTs during the financial period under review (excluding transactions less than S$100,000/US$80,000)
	S$'000/US$'000
Allston Services Pte Ltd [1]	196/157

Note:
1. Mr Lim Kwee Siah is a Non-Executive Director of the Company. He is a Director of Allston Services Pte Ltd and holds 50% of its issued 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.

Attendance at Board and Committee Meetings

The attendance of each Director at Board meetings and Board Committee meetings during the financial year ended 30 June 2014 is as follows:

Board Meetings

Directors	No. of Meetings Held	No. of Meetings Attended
Prof. Tan Cheng Han, S.C.	6	6
Mr Peh Kwee Chim	6	6
Mr Peh Siong Woon Terence	6	6
Mdm Joanna Young Sau Kwan	6	6

Board Committee Meetings

	Audit Committee		Remuneration Committee		Nominating Committee	
Directors	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.	4	4	3	3	1	1
Mr Peh Kwee Chim	-	-	-	-	1	1
Mdm Joanna Young Sau Kwan	4	4	3	3	1	1
Mr Lim Kwee Siah	4	4	3	3	-	-

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 2014.

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 a director 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, interests in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below :

Name of director	Direct interest		Deemed interest	
	At 30.6.2014	At 1.7.2013	At 30.6.2014	At 1.7.2013
Chuan Hup Holdings Limited (ordinary shares)				
Mr Peh Kwee Chim	–	478,264,490	497,643,490**	–
Mr Peh Siong Woon Terence	–	–	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**	–

** Deemed to have an interest (as defined in Section 4 of the Securities and Futures Act, Chapter 289 and Section 7 of the Companies Act, Chapter 50).

Except as disclosed in the financial statements, 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 of the financial year, or at the end of the financial year.

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

The directors' interests in the shares of the Company as at 21 July 2014 were the same as at 30 June 2014.

4. Directors' contractual benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than as disclosed in the financial statements or in this report) 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 of a subsidiary

At the end of the financial year, there were no unissued shares of any corporation in the Group under option. The PCI Limited Employees' Share Option Scheme 2003 was terminated on 16 August 2013. Details and terms of the share options have been disclosed in the directors' report of PCI Limited for the financial year ended 30 June 2014.

6. Audit committee

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Companies Act, Chapter 50 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 2014.

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
29 August 2014

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 2014 and the results of the business, changes in equity of the Group and of the Company and cash flows of the Group for the financial 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
29 August 2014

INDEPENDENT AUDITOR’S REPORT

for the financial year ended 30 June 2014

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”), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 30 June 2014, the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of comprehensive income and statement of changes in equity of the Company for the financial 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 Singapore Companies Act, Chapter 50 (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 profit and loss accounts and balance sheets 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 state of affairs of the Group and the Company as at 30 June 2014 and the results, changes in equity of the Group and the Company and cash flows of the Group for the financial 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 subsidiaries 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
29 August 2014

STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 30 June 2014

	Note	Group 2014	Group 2013	Company 2014	Company 2013
		US$'000	US$'000	US$'000	US$'000
Revenue	4	202,613	243,966	10,956	13,804
Raw material and consumables		(136,214)	(140,277)	–	–
Manufacturing expenses		(20,793)	(23,222)	–	–
Business development expenses		(1,482)	(2,449)	–	–
Other operating expenses		(2,941)	(3,151)	–	–
Property development expense		(16,033)	(38,509)	–	–
Vessel management expense		(82)	(70)	–	–
(Loss)/gain on disposal of held-for-trading investments		(321)	2,511	101	169
Change in fair value of held-for-trading investments		2,675	3,180	(109)	522
Change in fair value of derivative financial instruments		1,010	(498)	92	18
Impairment loss on available-for-sale investment		(45)	–	(45)	–
Employee benefits expense	5	(10,450)	(10,601)	(2,506)	(2,498)
Depreciation/amortisation expense		(2,573)	(2,983)	(7)	(9)
Other expenses		(3,029)	(3,295)	(820)	(957)
Other gains, net	5	3,724	139	1,944	3,731
Share of results of an associate	12	5,948	(1,686)	–	–
Profit before tax	5	22,007	23,055	9,606	14,780
Income tax (expense)/benefit	6	(2,818)	(3,883)	(1)	19
Profit after tax		19,189	19,172	9,605	14,799
Other comprehensive income/(loss) :					
Items that may be reclassified subsequently to profit or loss :					
Available-for-sale investments					
Changes in fair value		15,841	2,961	15,809	2,779
Impairment loss		2	–	2	–
Reclassification of realised gain on disposal to profit or loss		(31)	(288)	–	–
Exchange differences arising from translation of foreign operations		392	(4,400)	–	–
Share of other comprehensive income of an associate		–	36	–	–
Other comprehensive income/(loss) for the year, net of tax		16,204	(1,691)	15,811	2,779
Total comprehensive income for the year		35,393	17,481	25,416	17,578
Profit attributable to :					
Equity holders of the Company		18,023	18,462		
Non-controlling interests		1,166	710		
		19,189	19,172		
Total comprehensive income attributable to :					
Equity holders of the Company		34,294	16,713		
Non-controlling interests		1,099	768		
		35,393	17,481		
Earnings per share (US cents) :	7				
Basic		1.93	1.98		
Fully diluted		1.93	1.98		

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

BALANCE SHEETS

as at 30 June 2014

		Group		Company	
	Note	2014	2013	2014	2013
		US$'000	US$'000	US$'000	US$'000
Assets					
Non-current assets					
Property, plant and equipment	9	3,440	24,731	8	10
Prepaid lease payment	10	14,256	15,265	–	–
Subsidiaries	11	–	–	57,801	57,801
Associate	12	49,375	45,970	47,838	47,715
Investment securities	13	81,246	59,014	69,886	47,466
Other assets	14	284	315	–	–
		148,601	145,295	175,533	152,992
Current assets					
Development properties	15	39,486	15,634	–	–
Inventories	16	27,753	26,555	–	–
Trade receivables	17	33,151	130,177	1	–
Other receivables and prepayments	18	1,538	1,975	22	20
Tax recoverable		278	6	–	–
Amounts due from subsidiaries	19	–	–	53,972	59,071
Investment securities	13	11,480	11,895	1,725	1,117
Derivative financial instruments	20	119	6	8	–
Cash and bank balances	21	123,127	123,615	15,468	22,111
		236,932	309,863	71,196	82,319
Total assets		385,533	455,158	246,729	235,311
Equity and liabilities					
Current liabilities					
Trade payables	22	27,558	114,097	–	–
Other payables	23	19,210	20,834	6,219	5,745
Amounts due to subsidiaries	24	–	–	10,298	9,703
Income tax payable		3,752	4,321	209	209
Derivative financial instruments	20	2	899	–	83
		50,522	140,151	16,726	15,740
Non-current liabilities					
Deferred tax liabilities	25	2,857	2,138	–	–
Total liabilities		53,379	142,289	16,726	15,740
Equity					
Share capital	26	152,009	152,009	152,009	152,009
Reserves	27	46,651	30,380	40,012	24,201
Accumulated profits		111,811	108,772	37,982	43,361
Equity attributable to equity holders of the Company		310,471	291,161	230,003	219,571
Non-controlling interests		21,683	21,708	–	–
Total equity		332,154	312,869	230,003	219,571
Total equity and liabilities		385,533	455,158	246,729	235,311

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 2014

Group	Share capital	Foreign currency translation reserve	Investment revaluation reserve	Capital reserve	Accumulated profits	Total	Non-controlling interests	Total equity
	Attributable to equity holders of the Company							
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
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 :								
Changes 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
Balance at 1 July 2012	152,009	10,693	21,093	189	97,936	281,920	22,628	304,548
Profit for the year	–	–	–	–	18,462	18,462	710	19,172
Available-for-sale investments :								
Changes in fair value	–	–	2,961	–	–	2,961	–	2,961
Reclassification of realised gain on disposal to profit or loss	–	–	(288)	–	–	(288)	–	(288)
Exchange differences arising from translation of foreign operations	–	(4,458)	–	–	–	(4,458)	58	(4,400)
Share of other comprehensive income of an associate	–	–	36	–	–	36	–	36
Other comprehensive (loss)/ income, net of tax	–	(4,458)	2,709	–	–	(1,749)	58	(1,691)
Total comprehensive income/ (loss) for the year	–	(4,458)	2,709	–	18,462	16,713	768	17,481
Dividends paid to equity holders of the Company (Note 8)	–	–	–	–	(7,626)	(7,626)	–	(7,626)
Dividends paid to non-controlling interests of subsidiary	–	–	–	–	–	–	(1,141)	(1,141)
Acquisition of non-controlling interests of subsidiary without a change in control	–	–	–	154	–	154	(594)	(440)
Issue of shares under subsidiary's share option scheme	–	–	–	–	–	–	47	47
Balance at 30 June 2013	152,009	6,235	23,802	343	108,772	291,161	21,708	312,869

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

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

for the financial year ended 30 June 2014

Company	Share capital	Investment revaluation reserve	Accumulated profits	Total equity
	US$'000	US$'000	US$'000	US$'000
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 :				
Changes 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
Balance at 1 July 2012	152,009	21,422	36,188	209,619
Profit for the year	–	–	14,799	14,799
Available-for-sale investments :				
Changes in fair value	–	2,779	–	2,779
Other comprehensive income, net of tax	–	2,779	–	2,779
Total comprehensive income for the year	–	2,779	14,799	17,578
Dividends paid to equity holders of the Company (Note 8)	–	–	(7,626)	(7,626)
Balance at 30 June 2013	152,009	24,201	43,361	219,571

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 2014

	Group	
	2014	2013
	US$'000	US$'000
Cash flows from operating activities		
Profit before tax	22,007	23,055
Adjustments for :		
Share of results of an associate	(5,948)	1,686
Depreciation/amortisation expense	2,573	2,983
Dividend income	(3,940)	(4,570)
Interest income	(1,492)	(1,150)
Net foreign exchange gain	(96)	(2,404)
Gain on disposal of property, plant and equipment	(58)	(44)
Loss/(gain) on disposal of held-for-trading investments	321	(2,511)
Gain on disposal of available-for-sale investments	(1,162)	(537)
Gain on disposal of derivative financial instruments	(9)	–
Change in fair value of held-for-trading investments	(2,675)	(3,180)
Change in fair value of derivative financial instruments	(1,010)	498
Impairment loss on available-for-sale investment	45	–
Impairment loss on other asset	31	–
Bad debts written off	–	243
Other income	(1,710)	–
Operating cash flows before changes in working capital	6,877	14,069
Changes in working capital :		
Development properties	(1,956)	(10,402)
Inventories	(1,198)	10,240
Proceeds from disposal of held-for-trading investments	22,545	35,971
Purchase of held-for-trading investments	(19,776)	(12,211)
Proceeds from disposal of derivative financial instruments	15,107	–
Purchase of derivative financial instruments	(15,106)	–
Receivables	97,565	(76,649)
Payables	(88,163)	74,940
Cash flows from operations	15,895	35,958
Interest received	1,390	1,047
Dividends received from held-for-trading investments	340	981
Income tax paid	(2,973)	(551)
Net cash flows generated from operating activities	14,652	37,435
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,638)	(706)
Proceeds from disposal of property, plant and equipment	58	46
Purchase of available-for-sale investments	(7,834)	(750)
Proceeds from disposal of available-for-sale investments	1,690	6,085
Dividends received from available-for-sale investments	3,600	3,589
Return on capital by an available-for-sale investment	2,549	–
Additional investment in an associate	(123)	–
Dividends received from an associate	2,666	5,470
Net cash flows generated from investing activities	968	13,734
Cash flows from financing activities		
Dividends paid to equity holders of the Company	(14,984)	(7,626)
Dividends paid to non-controlling interests of subsidiary	(1,124)	(1,141)
Acquisition of non-controlling interests of subsidiary without a change in control	–	(440)
Issue of shares under subsidiary's share option scheme	–	47
Net cash flows used in financing activities	(16,108)	(9,160)
Net (decrease)/increase in cash and bank balances	(488)	42,009
Cash and bank balances at beginning of year	123,615	81,606
Cash and bank balances at end of year	123,127	123,615
Pledged deposits for derivative financial instruments with banks	(1,336)	(2,852)
Cash and cash equivalents at end of year	121,791	120,763

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

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

Chuan Hup Holdings Limited (the "Company") is a limited liability company incorporated and domiciled in the Republic of Singapore. Its registered office and principal place of business 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 include investment holding and trading activities as well as provision of management services. There has been no significant change in the nature of these activities from the previous financial year.

The principal activities of its subsidiaries, associate and jointly controlled operations are set out in Notes 11 and 12 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) as 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 periods beginning on or after 1 July 2013. The adoption of these standards did not have any significant impact on the financial performance or position of the Group and the Company. The new or amended FRSs that are relevant to the Group are as follows :

- FRS 19 *Employee Benefits*
- FRS 113 *Fair Value Measurement*
- Amendments to FRS 107 *Disclosures - Offsetting Financial Assets and Financial Liabilities*

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*
Revised FRS 27 *Separate Financial Statements*	1 January 2014
Revised FRS 28 *Investments in Associates and Joint Ventures*	1 January 2014
FRS 110 *Consolidated Financial Statements*	1 January 2014
FRS 111 *Joint Arrangements*	1 January 2014
FRS 112 *Disclosure of Interests in Other Entities*	1 January 2014
Amendments to FRS 32 *Offsetting of Financial Assets and Financial Liabilities*	1 January 2014
Amendments to FRS 36 *Recoverable Amount Disclosures for Non-Financial Assets*	1 January 2014
Amendments to FRS 39 *Novation of Derivatives and Continuation of Hedge Accounting*	1 January 2014
Amendments to FRS 110, FRS 112 and FRS 27: *Investment Entities*	1 January 2014
INT FRS 121 *Levies*	1 January 2014
Amendments to FRS 19 Defined Benefit Plans: *Employee Contributions*	1 July 2014
Improvements to FRSs (issued in January 2014)	1 July 2014
Improvements to FRSs (issued in February 2014)	1 July 2014

These pronouncements are not expected to have a material impact on the financial statements in the period of initial application.

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

(a) **Basis of consolidation**

Basis of consolidation from 1 July 2009

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.

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

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

(a) **Basis of consolidation (cont'd)**

Basis of consolidation from 1 July 2009 (cont'd)

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.

Basis of consolidation prior to 1 July 2009

Certain of the above-mentioned requirements were applied on a prospective basis. The following differences, however, are carried forward in certain instances from the previous basis of consolidation :

– Acquisition of non-controlling interests, prior to 1 July 2009, was accounted for using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of net assets acquired was recognised in goodwill.

– Losses incurred by the Group were attributed to the non-controlling interests until the balance was reduced to nil. Any further losses were attributed to the Group, unless the non-controlling interests had a binding obligation to cover these. Losses prior to 1 July 2009 were not reallocated between non-controlling interests and the equity holders of the Company.

– Upon loss of control, the Group accounted for the investments retained at its proportionate share of net asset value at the date control was lost. The carrying values of such investments as at 1 July 2009 were not restated.

(b) **Business combinations**

Business combinations from 1 July 2009

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.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

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

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

(b) **Business combinations (cont'd)**

Business combinations from 1 July 2009 (cont'd)

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 accordance with FRS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not re-measured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interests in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets.

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.

Business combinations prior to 1 July 2009

In comparison to the above-mentioned requirements, the following differences applied :

Business combinations are accounted for by applying the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interests (formerly known as minority interests) were measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as separate steps. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in equity. Any additional acquired share of interests did not affect previously recognised goodwill.

When the Group acquired a business, embedded derivatives separated from the host contract by the acquiree were not reassessed on acquisition unless the business combination resulted in a change in the terms of the contract that significantly modified the cash flows that otherwise would have been required under the contract.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent adjustments to the contingent consideration were recognised as part of goodwill.

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. Summary of significant accounting policies (cont'd)

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.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investments in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. On disposal of the foreign operation, the cumulative amount of exchange differences relating to that foreign operation is reclassified from foreign currency translation reserve to profit or loss as a component of the gain or loss on disposal.

(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 entity controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

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

2.8 ***Associates and jointly controlled operations***

<u>Associates</u>

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investments in associates are carried in the balance sheets at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investments and is neither amortised nor tested individually for impairment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is included as income in the determination of the Group's share of results of the associate in the period in which the investment is acquired.

The profit or loss reflects the share of the results of operations of the associates. 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 or losses resulting from transactions between the Group and the associates are eliminated to the extent of the interests in the associates.

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

2.8 *Associates and jointly controlled operations (cont'd)*

Associates (cont'd)

The Group's share of profit or loss of its associates is shown on the face of profit or loss after tax.

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

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in its associates. 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.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in profit or loss.

Jointly controlled operations

A jointly controlled operation is a joint venture carried on by each venturer using its own assets in pursuit of the joint operations. The consolidated financial statements include the assets that the Group controls and the liabilities that it incurs in the course of pursuing the joint operation, and the expenses that the Group incurs and its share of the income that it earns from the joint operation.

2.9 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.23 to the financial statements. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment other than freehold land are measured at cost less accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

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, land and building	-	3 years to 13 years
Furniture, fittings, plant and equipment	-	3 years to 13 years
Motor vehicles	-	5 years

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit is expected from its use or disposal. Any gains or losses on derecognition of the asset is included in profit or loss in the financial year the asset is derecognised.

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

2.10 ***Prepaid lease payment***

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

Prepaid lease payment - Over the remaining lease term

2.11 ***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.

2.12 ***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 ***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.

2.14 ***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.

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

2.14 ***Impairment of non-financial assets (cont'd)***

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.

2.15 ***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 that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives, including separated embedded derivatives are also classified as held-for-trading unless they are designated as effective hedging instruments.

An instrument may only be designated at fair value through profit or loss upon initial recognition if the following criteria are met and the designation is determined on an instrument by instrument basis :

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis;
- The assets and liabilities are part of a group of financial assets, financial liabilities or both which are managed and their performances evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The financial instrument contains one or more embedded derivatives which significantly modify the cash flows that otherwise would be required by the contract.

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.

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

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

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

Subsequent measurement (cont'd)

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

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 derecognised 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.

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 derecognised.

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

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition 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 derecognised 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.

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

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

(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.

When financial liabilities are recognised initially, they are measured 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.

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 derecognised and through the amortisation process.

Derecognition

A financial liability is derecognised 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 derecognition 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. Summary of significant accounting policies (cont'd)

2.16 ***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.

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 instruments may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

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; increases in their fair values after impairment are recognised directly in other comprehensive income.

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

2.17 *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.

2.18 *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.

2.19 *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 accrue to employees. The estimated liability for annual leave is recognised for services rendered by employees up to the end of the reporting period.

(c) **Share-based payments**

The Group issued equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payment is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

2.20 *Revenue recognition*

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) Sale and purchase contracts for held-for-trading and available-for-sale investments are recognised at trade date;

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

(c) 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;

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

2.20 ***Revenue recognition (cont'd)***

(d) Revenue from sale of development property is recognised when risks and rewards of ownership has been transferred to the buyer;

(e) Rental income arising from operating leases on leasehold property 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;

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

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

2.21 ***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)

2.21 *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.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it incurred during the measurement period or in profit or loss.

(c) **Goods and Services Tax ("GST")**

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

– Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST 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 included.

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

2.22 *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.

2.23 *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 use or sale. All other borrowing costs are expensed in the financial period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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

2.24 ***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.

(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 2.20 to the financial statements. Contingent rents are recognised as revenue in the financial period in which they are earned.

2.25 ***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 32 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.26 ***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.

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

2.26 *Contingencies (cont'd)*

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.

2.27 *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. However, 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, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements :

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 2014, the amount of impairment loss recognised for available-for-sale financial assets was US$45,000 (2013: US$Nil).

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

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) **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 a market price that is lower than its carrying amount, the Group estimates the amounts of inventory loss as allowance on inventory. Market price is generally the merchandise selling price quoted from the market of similar terms. 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 16 to the financial statements.

(b) **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 deferred tax liabilities as at 30 June 2014 was US$3,752,000 and US$2,857,000 (2013: US$4,321,000 and US$2,138,000), respectively. The carrying amount of the Company's income tax payable as at 30 June 2014 was US$209,000 (2013: US$209,000).

(c) **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$594,000 lower. No impairment was recognised as the recoverable amount of CGU is higher than its carrying value.

4. Revenue

	Group		Company	
	2014	2013	2014	2013
	US$'000	US$'000	US$'000	US$'000
Sale of goods	173,758	178,526	–	–
Sale of property	18,686	54,342	–	–
Rental income	3,064	2,837	–	–
Rendering of management and other services to :				
- External parties	260	737	–	–
- Subsidiaries	–	–	817	822
Dividend income from :				
- Quoted equity investments	3,940	4,570	3,426	3,587
- Subsidiaries	–	–	3,881	3,753
- Associate	–	–	2,667	5,470
Interest income from external parties	1,492	1,150	165	172
Others	1,413	1,804	–	–
Total	202,613	243,966	10,956	13,804

5. Profit before tax

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

	Group		Company	
	2014	2013	2014	2013
	US$'000	US$'000	US$'000	US$'000
Other gains, net				
Gain on disposal of available-for-sale investments	1,162	537	–	206
Gain on disposal of property, plant and equipment	58	44	–	24
Other income	2,407	844	1,747	10
Foreign exchange gain/(loss)	128	(1,043)	198	(594)
(Impairment loss)/reversal of allowance :				
- Amount due from subsidiary (Note 19)	–	–	(1)	5,154
- Other asset (Note 14)	(31)	–	–	–
Waiver of amount due from subsidiary	–	–	–	(1,069)
Bad debts written off	–	(243)	–	–
Total	3,724	139	1,944	3,731

During the financial year, other income for the Group and the Company included a gain of US$1,710,000 (2013: US$Nil) derived from an available-for-sale investment which had undergone a capital reduction exercise.

	Group		Company	
	2014	2013	2014	2013
	US$'000	US$'000	US$'000	US$'000
Employee benefits expense (including directors' remuneration and directors' fees)				
Salaries, allowances and others	9,872	9,977	2,405	2,407
Defined contribution plan	578	624	101	91
Total	10,450	10,601	2,506	2,498

5. Profit before tax (cont'd)

In addition to the above, employee benefits relating to the Group's manufacturing activities comprise salaries, allowances and other benefits of US$13,736,000 (2013: US$14,528,000), as well as defined contribution plan payments of US$1,207,000 (2013: US$1,308,000).

	Group		Company	
	2014	**2013**	**2014**	**2013**
	US$'000	US$'000	US$'000	US$'000
Auditors' remuneration				
Audit fees :				
Auditors of the Company	185	190	65	67
Other auditors	86	53	–	–
Non-audit fees :				
Auditors of the Company	18	21	11	14
Other auditors	14	4	–	–
Total	303	268	76	81
Others				
(Write-back of)/provision for slow-moving inventories	(925)	10	–	–

6. Income tax expense/(benefit)

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

	Group		Company	
	2014	**2013**	**2014**	**2013**
	US$'000	US$'000	US$'000	US$'000
Current income tax	2,196	2,046	1	(19)
Overprovision in respect of prior years	(57)	(424)	–	–
Deferred tax (Note 25)	679	2,261	–	–
Income tax expense/(benefit) recognised in profit or loss	2,818	3,883	1	(19)

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

(b) A reconciliation between tax expense/(benefit) and the product of accounting profit multiplied by the applicable statutory tax rate for the financial years ended 30 June 2014 and 2013 are as follows :

	Group		Company	
	2014	2013	2014	2013
	US$'000	US$'000	US$'000	US$'000
Profit before tax	22,007	23,055	9,606	14,780
Tax at statutory rate of 17% (2013: 17%)	3,741	3,919	1,633	2,512
Non-taxable items	(806)	(1,361)	(1,756)	(2,639)
Utilisation of deferred tax benefits previously not recognised	(611)	(545)	–	–
Foreign sourced income previously not remitted	660	–	–	–
Effect of partial tax exemption and tax relief	(158)	(101)	–	–
Overprovision in respect of prior years	(57)	(424)	–	–
Withholding tax on overseas income	743	(5)	1	(5)
Effect of different tax rates	270	1,718	–	–
Deferred tax assets not recognised	283	400	123	126
Effect of recognition of unrecognised temporary differences	(186)	–	–	–
Share of results of an associate	(1,011)	286	–	–
Others	(50)	(4)	–	(13)
Income tax expense/(benefit) recognised in profit or loss	2,818	3,883	1	(19)

(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	
	2014	2013	2014	2013
	US$'000	US$'000	US$'000	US$'000
Unutilised tax losses	9,632	11,561	4,692	3,970
Unutilised donations	409	240	409	240
	10,041	11,801	5,101	4,210
Deferred tax asset not recognised	1,855	2,154	867	715

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	
	2014	**2013**
Earnings (US$'000) :		
Profit attributable to equity holders of the Company	18,023	18,462
Number of shares ('000) :		
Weighted average number of ordinary shares	933,532	933,532
Earnings per share (US cents)	1.93	1.98

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	
	2014	**2013**
	US$'000	US$'000
Dividends on ordinary shares paid during the year :		
First and final and special tax exempt (one-tier) dividends for 2013: S$0.01 and S$0.01 (2012: S$0.01 and S$Nil) per share, respectively	14,984	7,626
After the reporting period, the directors proposed the following tax exempt (one-tier) dividend :		
First and final dividend for 2014: S$0.01 (2013: first and final dividend S$0.01 and special dividend S$0.01) per share	7,478	14,782

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

9. Property, plant and equipment

Group	Freehold land	Leasehold improvements, land and building	Furniture, fittings, plant and equipment	Motor vehicles	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Cost					
At 1 July 2012	41,433	4,202	27,815	731	74,181
Exchange differences	(2,524)	(72)	162	(5)	(2,439)
Additions	–	2	704	–	706
Disposals	–	(2,593)	(514)	(108)	(3,215)
Transfer to property development expense	(12,156)	–	–	–	(12,156)
Transfer to development properties	(5,232)	–	–	–	(5,232)
At 30 June 2013 and 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	–	1,483	28,902	1,128	31,513
Accumulated depreciation					
At 1 July 2012	–	4,167	23,696	638	28,501
Exchange differences	–	(72)	118	(5)	41
Depreciation for the year	–	31	1,696	58	1,785
Disposals	–	(2,593)	(512)	(108)	(3,213)
At 30 June 2013 and 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	–	1,459	26,133	481	28,073
Net book value					
At 30 June 2013	21,521	6	3,169	35	24,731
At 30 June 2014	–	24	2,769	647	3,440

Leasehold land and building, located at No. 2 Jalan Samulun, Jurong, Singapore, was leased from Jurong Town Corporation. This lease was prematurely terminated on 30 April 2013.

9. Property, plant and equipment (cont'd)

Asset held under finance lease

During the financial year, the Group acquired plant and equipment which cost US$438,000 (2013: US$Nil) by means of finance lease. The carrying amount of plant and equipment held under finance lease at the end of the reporting period was US$336,000 (2013: US$Nil).

Company	Furniture, fittings and equipment	Motor vehicles	Total
	US$'000	US$'000	US$'000
Cost			
At 1 July 2012	200	107	307
Additions	3	–	3
Disposals	(8)	(107)	(115)
At 30 June 2013 and 1 July 2013	195	–	195
Additions	5	–	5
Disposals	(23)	–	(23)
At 30 June 2014	177	–	177
Accumulated depreciation			
At 1 July 2012	184	107	291
Depreciation charge for the year	9	–	9
Disposals	(8)	(107)	(115)
At 30 June 2013 and 1 July 2013	185	–	185
Depreciation charge for the year	7	–	7
Disposals	(23)	–	(23)
At 30 June 2014	169	–	169
Net book value			
At 30 June 2013	10	–	10
At 30 June 2014	8	–	8

10. Prepaid lease payment

	Group	
	2014	2013
	US$'000	US$'000
Cost		
At 1 July	17,813	17,705
Exchange differences	209	108
At 30 June	18,022	17,813
Accumulated depreciation		
At 1 July	2,548	1,365
Exchange differences	41	(15)
Depreciation charge for the year	1,177	1,198
At 30 June	3,766	2,548
Net book value		
At 30 June	14,256	15,265

Details of the leasehold property of the Group :

Description	Lease term	Location	Area
Leasehold land and building	60 years from 1 July 1966	322/386/388/390 Jalan Ahmad Ibrahim, Singapore 629151/629156/629157/629155	76,487 square metres

The property rental income from the Group's leasehold property partially leased out under operating leases, amounted to US$2,871,000 (2013: US$2,590,000). Direct operating expenses (including repairs and maintenance) arising from the rental-generating leasehold property amounted to US$2,498,000 (2013: US$2,365,000).

11. Subsidiaries

	Company	
	2014	2013
	US$'000	US$'000
Equity investments, at cost	80,665	86,534
Allowance for impairment	(22,864)	(28,733)
Total	57,801	57,801

Movement in allowance for impairment account :

At 1 July	28,733	28,733
Reversal of impairment	(5,869)	–
At 30 June	22,864	28,733

During the financial year, the Company carried out a review of the recoverable amount of its investments in subsidiaries. No impairment was charged in 2014 (2013: US$Nil). The recoverable amount of the investments had been determined based on net assets value which was deemed to be the best estimate of fair value less cost of disposal for these subsidiaries.

11. Subsidiaries (cont'd)

Details of subsidiaries are :

	Country of incorporation	Principal activities	Proportion of ownership interests held by the Group 2014	2013
			%	%
Held by the Company :				
Beauford Marine Pte Ltd (1)	Singapore	Ship agent and ship chartering	100.0	100.0
Cleanway Environmental Services Pte Ltd (10)	Singapore	Dormant	–	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. (8)	Singapore	Dormant	100.0	100.0
ProVest Transworld Limited (1)	Singapore	Rental and management of properties	99.7	99.7
ProVest Ventures Pte. Ltd. (10)	Singapore	Dormant	–	100.0
Shin Chuan Pte. Ltd. (9)	Singapore	Investment holding	100.0	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
Westgarden Development Pte Ltd (10)	Singapore	Dormant	–	100.0
PCI Limited (1)	Singapore	Investment holding and providing electronics manufacturing services	76.7	76.7
Held through subsidiaries :				
Held by Cleanway Environmental Services Pte Ltd				
Cleanway Systems and Technologies Pte Ltd (10)	Singapore	Dormant	–	100.0
Held by ProVest Holdings Pte. Ltd.				
Valcom Holdings Inc (8)	British Virgin Islands	Investment holding	100.0	100.0
Held by CH Biovest Pte. Limited				
Polytech Investing Ltd (10)	British Virgin Islands	Dormant	–	100.0
Held by Ventrade (Asia) Pte. Ltd.				
96 & 102 Terrace Road Pty Ltd (2)(9)	Australia	Property development	100.0	100.0
Ventrade Australia Pty Ltd (2)	Australia	Property development	100.0	100.0

11. Subsidiaries (cont'd)

	Country of incorporation	Principal activities	Proportion of ownership interests held by the Group 2014	2013
			%	%
Held through subsidiaries (cont'd) :				
Held by Ventrade Australia Pty Ltd				
Ventrade Maylands Pty Ltd [(2)]	Australia	Property development	100.0	–
Held by PCI Limited				
Printed Circuits International Incorporated [(1)] [(8)]	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)]	Philippines	Dormant	46.0	46.0
PT. Prima Circuitama Indonesia [(4)]	Indonesia	Provision of electronics manufacturing services for the Group	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

11. Subsidiaries (cont'd)

	Country of incorporation	Principal activities	Proportion of ownership interests held by the Group 2014	2013
			%	%
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 Electronic Co., Ltd (6)	China	Provision of electronics manufacturing services to the Group and third parties	76.7	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 another firm of auditors (KPMG, Perth, Australia).

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

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

(5) Audited by another firm of auditors (V.A.T. Accounting, Bangkok, Thailand).

(6) Audited by another firm of auditors (Shanghai Linfang Certified Public Accountants, Co. Ltd, Shanghai, China).

(7) The investment represents 6.14% equity interests held through PCI Limited. The remaining 70.56% equity interests 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) In the process of being struck off/deregistered.

(10) Liquidated/struck off during the year.

12. Associate and jointly controlled operations

(a) ***Associate***

	Group 2014	Group 2013	Company 2014	Company 2013
	US$'000	US$'000	US$'000	US$'000
Equity investments, at cost	47,838	47,715	47,838	47,715
Share of post-acquisition reserves	10,671	4,723	–	–
Dividends received	(9,134)	(6,468)	–	–
Total	49,375	45,970	47,838	47,715
Fair value of investments in associate for which there is published price quotation	60,394	54,934	60,394	54,934

12. Associate and jointly controlled operations (cont'd)

(a) *Associate (cont'd)*

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

	Group	
	2014	2013
	US$'000	US$'000
Total assets	258,617	245,852
Total liabilities	(18,636)	(19,862)
Net assets	239,981	225,990
Revenue	35,137	47,819
Profit/(loss) for the year	25,081	(7,108)
Group's share of associate's results for the year	5,948	(1,686)

Details of associate are :

	Country of incorporation	Principal activities	Proportion of ownership interests held by the Group	
			2014	2013
			%	%
Held by the Company :				
CH Offshore Ltd [1]	Singapore	Investment holding and the owning and chartering of vessels	23.76	23.71

(1) Audited by another firm of auditors (Deloitte and Touche LLP, Singapore).

(b) *Jointly controlled operations*

	Country of operations	Principal activities	Effective interests held by the Group	
			2014	2013
			%	%
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	50

13. Investment securities

	Group		Company	
	2014	2013	2014	2013
	US$'000	US$'000	US$'000	US$'000
Non-current assets				
Available-for-sale investments :				
Quoted equity investments, at fair value [(i)]	63,620	45,595	61,907	43,353
Unquoted equity investments, at fair value [(i)]	4,706	–	4,706	–
Unquoted equity investments, at cost [(i)]	12,920	13,419	3,273	4,113
Total	81,246	59,014	69,886	47,466
Current assets				
Held-for-trading investments :				
Quoted equity investments, at fair value	11,480	11,895	1,725	1,117

(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. The investments in quoted equities include an impairment loss charged to profit or loss for the financial year of US$45,000 (2013: US$Nil), as there has been significant and prolonged decline in market prices for certain quoted equities.

There was no impairment charged on unquoted equity investments in 2014 (2013: 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.

14. Other assets

	Group	
	2014	2013
	US$'000	US$'000
Club memberships, at cost	315	315
Allowance for impairment	(31)	–
Total	284	315

During the financial year, an impairment loss of US$31,000 (2013: US$Nil), 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 2014 is US$344,413 (2013: US$353,100).

15. Development properties

	Group	
	2014	2013
	US$'000	US$'000
Completed properties, at cost	1,063	15,634
Land under development	38,423	–
Total	39,486	15,634

Details of the Group's development properties in progress as at 30 June 2014 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
				%
Toccata				
A 21-storey residential development comprising 45 apartments and 2 commercial units on Terrace Road, East Perth, Western Australia	Freehold	FY2015	2,647/11,720	100
Concerto				
A 36-storey residential development comprising 226 apartments 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	FY2016/17	17,256/26,480	100

16. Inventories

	Group	
	2014	2013
	US$'000	US$'000
Raw materials	16,460	14,993
Work-in-progress	965	1,250
Finished goods	10,328	10,312
Total	27,753	26,555

In the current financial year, the cost of inventories recognised as an expense in cost of sales amounted to US$136,214,000 (2013: US$140,277,000). This includes the write-back of inventory provision amounting to US$925,000 (2013: write-down of inventory of US$10,000) and the cost of raw materials, consumables and overheads for the Group.

17. Trade receivables

	Group		Company	
	2014	2013	2014	2013
	US$'000	US$'000	US$'000	US$'000
Amounts due from external parties	33,151	130,177	1	–

Amounts due from external parties

Trade receivables were non-interest bearing and were generally on cash payment to 60 days 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 2014	Group 2013	Company 2014	Company 2013
Not past due	26,983	37,756	1	–
Past due but not impaired :				
less than 3 months	6,168	92,196	–	–
3 months or more	–	225	–	–
Total	33,151	130,177	1	–

The average age of trade receivables was 56 days (2013: 39 days).

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 same joint venture 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
2014			
Trade receivables	118,680	(115,820)	2,860
Trade payables	(115,820)	115,820	–
2013			
Trade receivables	2,071	(1,659)	412
Trade payables	(1,659)	1,659	–

18. Other receivables and prepayments

	Group		Company	
	2014	2013	2014	2013
	US$'000	US$'000	US$'000	US$'000
Other receivables	1,194	1,149	18	138
Allowance for impairment	–	(122)	–	(122)
	1,194	1,027	18	16
Prepayments	344	948	4	4
Total	1,538	1,975	22	20

Movement in the allowance for impairment account :

	Group		Company	
	2014	2013	2014	2013
	US$'000	US$'000	US$'000	US$'000
At 1 July	122	122	122	122
Reversal of impairment	(122)	–	(122)	–
At 30 June	–	122	–	122

Other receivables comprise GST receivables, deposits and other amounts receivable.

The allowance for estimated irrecoverable amounts of other receivables was determined by reference to long outstanding debt that was deemed non-collectible.

There was no other receivable which was past due but not impaired as at 30 June 2014 and 2013.

19. Amounts due from subsidiaries

	Company	
	2014	2013
	US$'000	US$'000
Amounts due from subsidiaries	89,676	94,774
Allowance for impairment	(35,704)	(35,703)
Total	53,972	59,071

Movement in the allowance for impairment account :

At 1 July	35,703	47,235
Reversal of impairment	–	(5,154)
Written-off	–	(6,378)
Impairment recognised in profit or loss	1	–
At 30 June	35,704	35,703

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

20. Derivative financial instruments

Derivative financial instruments are instruments whose values change in response to the change in prices of the underlying instruments.

In the normal course of business, the Group and the Company enters into transactions involving derivative financial instruments in connection with its investing activities, as well as to manage assets, liabilities and structural positions. These instruments are subject to various risks similar to non-derivative instruments, including market price, credit and liquidity risks. Such derivative financial instruments are treated as held-for-trading financial instruments, initially recognised at fair value on the date on which a derivative contract is entered into, and subsequently re-measured at fair value. Derivative financial instruments are carried as assets when fair values are positive and as liabilities when the fair values are negative.

The notional amounts of these derivative instruments reflect the Group's and the Company's extent of involvement in derivative financial instruments. The fair values and notional amounts of the derivative financial instruments at the end of the reporting period are set out below. These amounts do not necessarily represent future cash flows and amounts at risk of the derivatives :

	Group			Company		
Current	**Contract/ notional amount**	**Assets**	**Liabilities**	**Contract/ notional amount**	**Assets**	**Liabilities**
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
2014						
Equity and foreign exchange related contracts	42,646	119	(2)	3,160	8	–
2013						
Equity and foreign exchange related contracts	62,191	6	(899)	702	–	(83)

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 5 August 2014 to 10 June 2015.

21. Cash and bank balances

	Group		Company	
	2014	**2013**	**2014**	**2013**
	US$'000	US$'000	US$'000	US$'000
Cash at bank	61,987	79,845	13,712	17,810
Short-term deposits	61,140	43,770	1,756	4,301
Total	123,127	123,615	15,468	22,111

Short-term deposits are placed for varying periods of seven months or less, depending on the immediate cash requirements of the Group and the Company. These deposits earn interest at rates ranging from 0.01% to 9.00% (2013: 0.01% to 6.75%) per annum.

Included in short-term deposits is an amount of US$1,336,000 (2013: US$2,852,000) pledged to certain financial institutions for the purpose of foreign exchange forward contracts entered into.

22. Trade payables

	Group	
	2014	2013
	US$'000	US$'000
Trade payables	27,268	114,073
Accrued expenses	29	24
Finance lease obligations (Note 34a)	261	–
Total	27,558	114,097

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.

23. Other payables

	Group		Company	
	2014	2013	2014	2013
	US$'000	US$'000	US$'000	US$'000
Accrued expenses	18,315	17,601	5,437	5,445
Other payables	895	3,233	782	300
Total	19,210	20,834	6,219	5,745

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

24. Amounts due to subsidiaries

	Company	
	2014	2013
	US$'000	US$'000
Amounts due to subsidiaries	10,298	9,703

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

25. Deferred tax

	Group			
	Balance sheet		Statement of comprehensive income	
	2014	2013	2014	2013
	US$'000	US$'000	US$'000	US$'000
Deferred tax liabilities :				
Differences in development properties	(2,286)	(1,822)	424	2,351
Differences in depreciation	(335)	(316)	19	(90)
Unremitted foreign interest income	(236)	–	236	–
Total	(2,857)	(2,138)		
Deferred tax expense (Note 6a)			679	2,261

26. Share capital

	Group and Company			
	2014		2013	
	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.

27. 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 of 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.

28. 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.

Key management personnel refer to the Company's directors.

(a) In addition to related party information disclosed elsewhere in the financial statements, the significant transactions with related parties on terms agreed between the parties are as follows :

	Group		Company	
	2014	2013	2014	2013
	US$'000	US$'000	US$'000	US$'000
Transactions with companies associated with key management personnel :				
Services received	871	1,981	–	–
Transactions with subsidiaries :				
Rental expense	–	–	125	127
Services rendered	–	–	817	822
Transactions with associate :				
Rental income	197	151	–	–

(b) Compensation of key management personnel :

	Group		Company	
	2014	2013	2014	2013
	US$'000	US$'000	US$'000	US$'000
Directors' fees	231	119	144	119
Short-term benefits	2,333	1,803	1,407	1,421
Defined contribution plan	33	24	15	15
Total	2,597	1,946	1,566	1,555

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

29. Fair value of financial instruments

(a) ***Fair value of financial instruments that are carried at fair value***

The following table shows an analysis of financial instruments 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
2014					
Financial assets :					
Investments at fair value through profit or loss - held-for-trading investments :					
- Quoted equity investments	13	11,480	–	–	11,480
Available-for-sale investments :					
- Quoted equity investments	13	63,620	–	–	63,620
- Unquoted equity investments	13	–	4,706	–	4,706
Derivative financial instruments :					
- Equity and foreign exchange related contracts	20	–	119	–	119
Total		75,100	4,825	–	79,925
Financial liabilities :					
Derivative financial instruments :					
- Equity and foreign exchange related contracts	20	–	2	–	2
2013					
Financial assets :					
Investments at fair value through profit or loss - held-for-trading investments :					
- Quoted equity investments	13	11,895	–	–	11,895
Available-for-sale investments :					
- Quoted equity investments	13	45,595	–	–	45,595
Derivative financial instruments :					
- Equity and foreign exchange related contracts	20	–	6	–	6
Total		57,490	6	–	57,496
Financial liabilities :					
Derivative financial instruments :					
- Equity and foreign exchange related contracts	20	–	899	–	899

29. Fair value of financial instruments (cont'd)

(a) *Fair value of financial instruments 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
2014					
Financial assets :					
Investments at fair value through profit or loss - held-for-trading investments :					
- Quoted equity investments	13	1,725	–	–	1,725
Available-for-sale investments :					
- Quoted equity investments	13	61,907	–	–	61,907
- Unquoted equity investments	13	–	4,706	–	4,706
Derivative financial instruments :					
- Equity and foreign exchange related contracts	20	–	8	–	8
Total		63,632	4,714	–	68,346
2013					
Financial assets :					
Investments at fair value through profit or loss - held-for-trading investments :					
- Quoted equity investments	13	1,117	–	–	1,117
Available-for-sale investments :					
- Quoted equity investments	13	43,353	–	–	43,353
Total		44,470	–	–	44,470
Financial liabilities :					
Derivative financial instruments :					
- Equity and foreign exchange related contracts	20	–	83	–	83

Fair value hierarchy

The Group and the Company classify fair value measurements using a fair value hierarchy that reflects the significance of the valuation inputs used in making the measurements as follows :

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (i.e., unobservable inputs).

There has been no transfer between Levels 1 and 2 fair value measurements during the financial years ended 30 June 2014 and 2013.

29. Fair value of financial instruments (cont'd)

(a) ***Fair value of financial instruments that are carried at fair value (cont'd)***

Determination of fair value

Quoted equity investments (Note 13): Fair value is determined directly by reference to their published market prices at the end of the reporting period.

Unquoted equity investments (Note 13): Fair value is determined based on the net asset value published by the fund manager at the end of the reporting period.

Equity and foreign exchange related contracts (Note 20): 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) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value***

Cash and bank balances, trade and other receivables, amounts due from/(to) subsidiaries, 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	2014	2013	2014	2013
		US$'000	US$'000	US$'000	US$'000
Loans and receivables :					
Cash and bank balances	21	123,127	123,615	15,468	22,111
Trade receivables	17	33,151	130,177	1	–
Other receivables	18	748	677	18	16
Amounts due from subsidiaries	19	–	–	53,972	59,071
Total		157,026	254,469	69,459	81,198
Financial liabilities carried at amortised cost :					
Trade payables	22	27,558	114,097	–	–
Other payables	23	14,261	15,356	6,160	5,681
Amounts due to subsidiaries	24	–	–	10,298	9,703
Total		41,819	129,453	16,458	15,384

(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.

30. 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 quoted equity investments and derivative financial instruments can be found in Notes 13 and 20 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 securities prices had been 5% higher/lower with all other variables held constant :

- The Group's and the Company's profit before tax for the financial year ended 30 June 2014 would have increased/decreased by US$2,500 (2013: US$Nil) as some of the equity investments classified as available-for-sale had been impaired; and
- The Group's and the Company's investment revaluation reserve in equity would have increased/decreased by US$3,181,000 and US$3,095,000 (2013: US$2,280,000 and US$2,168,000), respectively.

In respect of held-for-trading investments and derivative financial instruments, if equity securities prices had been 5% higher/lower, the Group's and the Company's profit before tax for the financial year ended 30 June 2014 would have increased/decreased by US$580,000 and US$87,000 (2013: US$550,000 and US$52,000), respectively.

30. 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
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
2013								
Financial assets								
Cash and bank balances	1,656	40,256	10,690	6,060	4,657	–	2	63,321
Trade receivables	2,247	486	–	–	–	–	–	2,733
Other receivables	5	125	17	–	4	–	–	151
Investment securities	–	13,111	46,280	388	–	5,686	436	65,901
Total	3.908	53,978	56,987	6,448	4,661	5,686	438	132,106
Financial liabilities								
Trade payables	2,471	185	–	–	–	–	232	2,888
Other payables	248	6,017	–	–	–	16	–	6,281
Derivative financial instruments	–	331	–	50	–	–	–	381
Total	2,719	6,533	–	50	–	16	232	9,550

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

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

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

Company	SGD	AUD	HKD	Peso	Others	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
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
2013						
Financial assets						
Cash and bank balances	10,297	4,775	2,502	–	2	17,576
Other receivables	2	8	–	–	–	10
Amounts due from subsidiaries	2,130	1,421	–	–	–	3,551
Investment securities	2,895	42,100	293	–	–	45,288
Total	15,324	48,304	2,795	–	2	66,425
Financial liabilities						
Other payables	3,942	–	–	16	–	3,958
Derivative financial instruments	–	–	38	–	–	38
Amounts due to subsidiaries	1,834	–	–	–	–	1,834
Total	5,776	–	38	16	–	5,830

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.

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

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

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

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
2014				
United States dollars	(10)	–	–	–
Singapore dollars	1,138	260	67	260
Australian dollars	999	3,443	407	3,226
Hong Kong dollars	43	–	18	–
Renminbi	38	–	–	–
Philippine peso	–	7	–	–
2013				
United States dollars	57	–	–	–
Singapore dollars	1,696	110	253	110
Australian dollars	578	2,498	335	2,272
Hong Kong dollars	41	–	18	–
Renminbi	38	–	–	–
Philippine peso	–	7	–	–

A 5% strengthening of the relevant foreign currency against the functional currency of each group entity 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.

(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.

<u>Interest rate sensitivity analysis</u>

The sensitivity analysis is determined based on the exposure to interest rates for cash and cash equivalents 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 2014 would have increased/decreased by approximately US$611,000 and US$18,000 (2013: US$438,000 and US$43,000), respectively.

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

(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.

The contractual expiry by maturity of the Group's and the Company's contingent liabilities, which relate to financial guarantee contracts that amounted to US$79,000 (2013: US$78,000) is within one year, based on the earliest period in which they can be drawn down.

(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 and other receivables are disclosed in Notes 17 and 18 to the financial statements, respectively.

(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.

31. 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 2014 and 2013.

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	
	2014	**2013**
	US$'000	US$'000
Total liabilities	53,379	142,289
Equity attributable to the equity holders of the Company	310,471	291,161
Debt/equity ratio	0.17	0.49

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

32. 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, rental and management;

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

(e) The vessel management segment is in the business of ship chartering and related agency services.

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.

32. Segment information (cont'd)

	Investment holding	Electronics manufacturing services	Property development	Estate management and rental income	Vessel management	Elimination	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
2014							
Revenue							
External sales	4,781	174,178	18,966	4,428	260	–	202,613
Inter-segment sales	6,702	–	–	703	–	(7,405)	–
Total revenue	11,483	174,178	18,966	5,131	260	(7,405)	202,613
Results							
Segment profit	8,826	17,170	2,933	761	179	–	29,869
Depreciation/amortisation expense	(733)	(1,386)	–	(452)	(2)	–	(2,573)
	8,093	15,784	2,933	309	177	–	27,296
Business development and other expenses	(851)	(3,438)	(67)	–	(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	13,985	4,836	2,866	539	(219)	–	22,007
Income tax expense	(1,401)	(502)	(603)	(312)	–	–	(2,818)
Profit/(loss) for the year	12,584	4,334	2,263	227	(219)	–	19,189
2013							
Revenue							
External sales	5,596	178,965	54,343	4,552	510	–	243,966
Inter-segment sales	9,381	–	–	756	–	(10,137)	–
Total revenue	14,977	178,965	54,343	5,308	510	(10,137)	243,966
Results							
Segment profit	10,788	15,467	15,834	1,401	440	–	43,930
Depreciation/amortisation expense	(13)	(1,770)	–	(1,198)	(2)	–	(2,983)
	10,775	13,697	15,834	203	438	–	40,947
Business development and other expenses	(1,185)	(4,364)	(45)	–	(150)	–	(5,744)
Employee benefits expense	(2,840)	(7,540)	–	–	(221)	–	(10,601)
Other gains/(losses), net	(606)	912	–	–	(167)	–	139
Share of results of an associate	(1,686)	–	–	–	–	–	(1,686)
Profit/(loss) before tax	4,458	2,705	15,789	203	(100)	–	23,055
Income tax (expense)/benefit	(8)	305	(3,881)	(299)	–	–	(3,883)
Profit/(loss) for the year	4,450	3,010	11,908	(96)	(100)	–	19,172

32. Segment information (cont'd)

	Investment holding	Electronics manufacturing services	Property development	Estate management and rental income	Vessel management	Elimination	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
2014							
Other information							
Additions to property, plant and equipment	16	1,622	–	–	–	–	1,638
Impairment loss on available-for-sale investment	45	–	–	–	–	–	45
Impairment loss on other asset	–	31	–	–	–	–	31
Write-back of provision for slow-moving inventories	–	925	–	–	–	–	925
Interest income	1,073	419	–	–	–	–	1,492
Assets							
Segment assets	248,619	117,193	4,435	8,758	6,528	–	385,533
Total assets							385,533
Liabilities							
Segment liabilities	8,430	39,258	2,394	744	252	–	51,078
Unallocated corporate liabilities							2,301
Total liabilities							53,379
2013							
Other information							
Additions to property, plant and equipment	6	700	–	–	–	–	706
Provision for slow-moving inventories	–	10	–	–	–	–	10
Interest income	710	440	–	–	–	–	1,150
Assets							
Segment assets	206,263	113,751	119,430	8,911	6,803	–	455,158
Total assets							455,158
Liabilities							
Segment liabilities	9,643	36,304	93,022	1,111	308	–	140,388
Unallocated corporate liabilities							1,901
Total liabilities							142,289

32. Segment information (cont'd)

Geographical information

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

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.

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

	Revenue		Assets	
Group	**2014**	**2013**	**2014**	**2013**
	US$'000	US$'000	US$'000	US$'000
ASEAN (excluding Singapore)	8,429	11,019	12,684	16,319
Singapore	38,880	41,631	188,202	172,025
Hong Kong	8	153	1,410	843
Australia	22,870	58,385	116,192	187,457
United Kingdom	2	12	16,434	18,589
Belgium	363	484	13,366	24,854
British Virgin Islands	–	1,762	–	–
People's Republic of China	27,005	35,806	12,666	18,276
United States of America	71,588	66,647	15,338	10,326
Others	33,468	28,067	9,241	6,469
Total	202,613	243,966	385,533	455,158

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

	2014	**2013**
	US$'000	US$'000
ASEAN (excluding Singapore)	43	32
Singapore	66,405	63,451
Australia	–	21,521
People's Republic of China	906	1,276
United States of America	1	1
Total	67,355	86,281

Information about major customers - electronics manufacturing services

In relation to the electronics manufacturing services revenue of US$174,178,000 (2013: US$178,965,000), sale of goods to three major customers contributed a total revenue of approximately US$55,707,000 (2013: US$48,676,000) during the financial year. Sales to each of these customers accounted for more than 8% of the electronics manufacturing services revenue.

33. Contingent liabilities

	Group		Company	
	2014	2013	2014	2013
	US$'000	US$'000	US$'000	US$'000
Bankers' guarantee issued to customers (unsecured)	79	78	79	78

As at 30 June 2014 and 2013, the Company has issued guarantees to third parties in respect of the ship agency business of a subsidiary.

As at 30 June 2014, the maximum amount that the Group and the Company would be forced to settle, if the full guaranteed amount is claimed by the counterparties to the guarantee is US$79,000 (2013: US$78,000).

34. Commitments

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

The Group has finance lease for an item of plant and equipment. Ownership of the asset will be 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	
	2014	2013
	US$'000	US$'000
Not later than 1 year	261	–
Present value of minimum lease payments	261	–

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

<u>As lessee</u>

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

In addition, the Group entered into lease agreement with Jurong Town Corporation for a parcel of land where the leasehold building is located. This lease agreement will expire on 30 June 2026 and the lease rentals are fixed for the financial year.

	Group		Company	
	2014	2013	2014	2013
	US$'000	US$'000	US$'000	US$'000
Minimum lease payments under operating lease recognised as an expense in the year	3,036	2,401	125	127

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

Not later than 1 year	2,841	1,757	126	125
Later than 1 year but not later than 5 years	7,203	6,070	126	249
Later than 5 years	9,249	10,594	–	–
Total	19,293	18,421	252	374

34. 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	
	2014	**2013**
	US$'000	US$'000
Not later than 1 year	3,489	2,123
Later than 1 year but not later than 5 years	3,606	765
Total	7,095	2,888

35. Event occurring after the reporting period

Subsequent to year end, the Group was granted an option to purchase 3 strata office floors at GB Building, 143 Cecil Street, Singapore, for a cash consideration of S$31.688 million (US$25.252 million). These leasehold office units have a total area of approximately 1,492 square metres, and a lease duration of 99 years, commencing on 12 October 1982. Exercise date of the option to purchase is scheduled on 8 September 2014. These office units will be acquired for long term investment purpose to derive recurring rental income.

36. Comparatives

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

30 June 2013	**As previously stated**	**Reclassification**	**Restated**
	US$'000	US$'000	US$'000
Statement of comprehensive income - Group			
Revenue	246,477	(2,511)	243,966
Gain on disposal of held-for-trading investments	–	2,511	2,511
Change in fair value of held-for-trading investments	–	3,180	3,180
Change in fair value of derivative financial instruments	–	(498)	(498)
Other gains, net	2,821	(2,682)	139
Statement of comprehensive income - Company			
Revenue	13,973	(169)	13,804
Gain on disposal of held-for-trading investments	–	169	169
Change in fair value of held-for-trading investments	–	522	522
Change in fair value of derivative financial instruments	–	18	18
Other gains, net	4,271	(540)	3,731

36. Comparatives (cont'd)

30 June 2013	As previously stated	Reclassification	Restated
	US$'000	US$'000	US$'000
Cash flow statement			
Cash flows from operating activities			
Dividends received from held-for-trading investments	–	981	981
Dividends received from investment securities	4,570	(4,570)	–
Dividends received from an associate	5,470	(5,470)	–
Cash flows from investing activities			
Dividends received from available-for-sale investments	–	3,589	3,589
Dividends received from an associate	–	5,470	5,470

37. Approval of the financial statements

The financial statements of the Group for the financial year ended 30 June 2014 were approved and authorised for issue by the board of directors on 29 August 2014.

STATISTICS OF SHAREHOLDINGS

as at 17 September 2014

Share Capital

Total Number of Issued Shares	:	933,532,450
Issued and Fully Paid-up Capital	:	S$266,932,342.56
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 – 999	28	0.27	9,900	0.00
1,000 - 10,000	5,255	50.98	35,590,528	3.81
10,001 - 1,000,000	4,990	48.41	266,704,297	28.57
1,000,001 and above	35	0.34	631,227,725	67.62
Total	**10,308**	**100.00**	**933,532,450**	**100.00**

Twenty Largest Shareholders

	Name of Shareholder	No. of Shares	%
1	DB NOMINEES (SINGAPORE) PTE LTD	478,829,490	51.29
2	DBS NOMINEES PTE LTD	24,694,335	2.65
3	UNITED OVERSEAS BANK NOMINEES PTE LTD	20,320,500	2.18
4	PEH KWEE CHIM	19,379,000	2.08
5	CITIBANK NOMINEES SINGAPORE PTE LTD	13,797,500	1.48
6	OCBC NOMINEES SINGAPORE PTE LTD	8,453,400	0.91
7	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	6,655,000	0.71
8	DBSN SERVICES PTE LTD	5,233,000	0.56
9	HSBC (SINGAPORE) NOMINEES PTE LTD	3,932,000	0.42
10	UOB KAY HIAN PTE LTD	3,456,000	0.37
11	LIM & TAN SECURITIES PTE LTD	3,326,000	0.36
12	LEONG HEIN HAK	3,250,000	0.35
13	LIM MENG KONG	3,010,000	0.32
14	NG THIN ONN TONY	3,000,000	0.32
15	PHILLIP SECURITIES PTE LTD	2,810,000	0.30
16	SEAH KIOK LENG	2,210,000	0.24
17	LOA SZE PIN	2,150,000	0.23
18	KHONG LAI CHEONG	2,015,000	0.22
19	TAN LAI MENG	2,008,000	0.22
20	OCBC SECURITIES PRIVATE LTD	1,901,500	0.20
	Total	**610,430,725**	**65.41**

Substantial Shareholders

	Direct Interest		Deemed Interest	
Name of Shareholder	No. of Shares	%	No. of Shares	%
3P Pte Ltd	478,264,490	51.23[(a)(b)]	–	–
Peh Kwee Chim	19,379,000	2.08	478,264,490	51.23[(c)]
Qing Shan Pte Ltd	–	–	478,264,490	51.23[(b)]
TMF (Cayman) Ltd	–	–	478,264,490	51.23[(b)]
Peh Siong Woon Terence	–	–	478,264,490	51.23[(d)]
Beamsbury Limited	–	–	478,264,490	51.23[(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 17 September 2014, approximately 46.67% 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.

NOTICE OF ANNUAL GENERAL MEETING

CHUAN HUP HOLDINGS LIMITED

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

NOTICE IS HEREBY GIVEN that the FORTY-FOURTH ANNUAL GENERAL MEETING of the Company will be held at The Board Room, 390 Jalan Ahmad Ibrahim, Singapore 629155 on 24 October 2014 at 2.00 p.m. to transact the following business:

Ordinary Business:

1. To receive and adopt the Audited Financial Statements for the financial year ended 30 June 2014 together with the reports of the Directors and the Auditor thereon.

2. To declare a one-tier tax-exempt first and final dividend of 1 SG cent per ordinary share for the financial year ended 30 June 2014.

3. To re-elect the following Directors who are retiring by rotation in accordance with Article 86 of the Company's Articles of Association and who, being eligible, offer themselves for re-election:

   (a) Mr Lim Kwee Siah [See Explanatory Note 1]
   (b) Mr Peh Siong Woon Terence

4. To re-appoint the following Directors retiring under Section 153(6) of the Companies Act, Chapter 50 of Singapore, to hold office from the date of this Annual General Meeting until the next Annual General Meeting of the Company:

   (a) Mdm Joanna Young Sau Kwan [See Explanatory Note 2]
   (b) Mr Peh Kwee Chim [See Explanatory Note 3]

5. To approve fees of SGD180,000 for Non-Executive Directors for the financial year ended 30 June 2014 (FY 2013: SGD150,000).

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

Special Business:

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

   That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, 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.

NOTICE IS HEREBY GIVEN that, subject to the approval of shareholders to the first and final dividend being obtained at the Forty-Fourth Annual General Meeting to be held on 24 October 2014, the Transfer Books and the Register of Members of the Company will be closed on 7 November 2014 for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) of 80 Robinson Road, #02-00, Singapore 068898, up to 5.00 p.m. on 6 November 2014, will be registered to determine shareholders' entitlements to the first and final dividend. Subject to aforesaid, 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 6 November 2014, will be entitled to the first and final dividend.

The first and final dividend, if so approved by shareholders, will be paid on 18 November 2014.

BY ORDER OF THE BOARD

Valerie Tan May Wei
Company Secretary
9 October 2014

Explanatory Notes:

1) Mr Lim Kwee Siah, if re-elected, will continue to serve as a member of the Audit and Remuneration Committees. Mr Lim is considered a non-independent director.

2) Mdm Joanna Young Sau Kwan, if re-appointed, will 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.

3) Mr Peh Kwee Chim, if re-appointed, will continue to serve as a member of the Nominating Committee. Mr Peh is considered a non-independent director.

NOTICE OF ANNUAL GENERAL MEETING

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) for the purpose of the processing and administration by the Company (or its agents) 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) 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), 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) 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 Friday, 24 October 2014. 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)

IMPORTANT:

1. For investors who have used their CPF monies to buy the Company's shares, the Annual Report 2014 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 AGM as OBSERVERS have to submit their requests through their respective Agent Banks so that their Agent Banks may register, in the required format with Company Secretary, by the time frame specified. (Agent Banks: Please see note 8 on the required format). Any voting instructions must also be submitted to their Agent Banks within the time frame specified to enable them to vote on the CPF investor's 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 9 October 2014.

ANNUAL GENERAL MEETING PROXY FORM

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 (%)

and/or (delete as appropriate)

or failing him/her, the Chairman of the Forty-Fourth Annual General Meeting of the Company ("Annual General Meeting") as my/our proxy/proxies to attend and to vote for me/us and on my/our behalf at the Annual General Meeting to be held at The Board Room, 390 Jalan Ahmad Ibrahim, Singapore 629155 on 24 October 2014 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).

	Resolutions	No. of Votes For*	No. of Votes Against*
	ORDINARY BUSINESS		
1.	Adoption of Financial Statements and Reports		
2.	Declaration of First and Final Dividend		
3.	Re-election of Directors in accordance with Article 86: (a) Mr Lim Kwee Siah (b) Mr Peh Siong Woon Terence		
4.	Re-appointment of Directors pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore: (a) Mdm Joanna Young Sau Kwan (b) Mr Peh Kwee Chim		
5.	Approval of Directors' Fees for the financial year ended 30 June 2014		
6.	Re-appointment of Messrs Ernst & Young LLP as Auditor		
	SPECIAL BUSINESS		
7.	Approval of Renewal of Share Issue Mandate		

*If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick [✓] within the relevant box. 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 ______________ 2014

Total Number of Shares held: | |

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

IMPORTANT:
PLEASE READ NOTES ON THE REVERSE SIDE

Fold Flap 2nd fold here

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. As 22 October 2014 is a gazetted public holiday in Singapore, the last date and time for lodgement of the Proxy Form shall be 21 October 2014 at 2.00 p.m.
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. Agent Banks 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 Agent Bank, 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. As 22 October 2014 is a gazetted public holiday in Singapore, the last date and time for lodgement of the Proxy Form shall be 21 October 2014 at 2.00 p.m.

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

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