



Unaudited Financial Statement for the 2nd Quarter and 1st Half Ended 31 December 2011

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(a)(i) Consolidated Statement of Comprehensive Income for the 2nd quarter and 1st half ended 31 December 2011

| | Group | | | | | |
|---|------------------------------------|------------------------------------|-----------|---------------------------------|---------------------------------|---------|
| | USD'000 | | % | USD'000 | | % |
| | 2nd quarter ended 31 December 2011 | 2nd quarter ended 31 December 2010 | Change | 1st half ended 31 December 2011 | 1st half ended 31 December 2010 | Change |
| Revenue | 58,759 | 4,196 | 1,300.4 | 120,978 | 6,626 | 1,725.8 |
| Vessel management expense | (6) | (76) | (92.1) | (19) | (159) | (88.1) |
| Property development expense | 6 | (32) | (118.8) | (15) | (50) | (70.0) |
| Raw material and consumables | (43,224) | - | nm | (89,913) | - | nm |
| Manufacturing expenses | (6,119) | - | nm | (12,411) | - | nm |
| Other operating expenses | (816) | - | nm | (1,685) | - | nm |
| Change in fair value of other financial assets at fair value through profit or loss | 1,234 | 316 | 290.5 | (751) | 589 | (227.5) |
| Impairment loss on available-for-sale investments | - | (479) | (100.0) | - | (605) | (100.0) |
| Employee benefits expense | (1,993) | (518) | 284.7 | (3,998) | (823) | 385.8 |
| Business development expenses | (383) | - | nm | (694) | - | nm |
| Other expenses | (1,266) | (1,837) | (31.1) | (2,563) | (3,138) | (18.3) |
| Depreciation expense | (990) | (35) | 2,728.6 | (1,969) | (81) | 2,330.9 |
| Share of results of associate | 1,821 | - | nm | 1,821 | - | nm |
| Other gains (note 1(a)(ii)) | 242 | 4,979 | (95.1) | 28,512 | 7,763 | 267.3 |
| Other losses (note 1(a)(ii)) | (1,237) | - | nm | (8,601) | (178) | 4,732.0 |
| Profit before tax | 6,028 | 6,514 | (7.5) | 28,692 | 9,944 | 188.5 |
| Income tax benefit/(expense) | 1,532 | (114) | (1,443.9) | 960 | (180) | (633.3) |
| Profit for the period | 7,560 | 6,400 | 18.1 | 29,652 | 9,764 | 203.7 |
| Other comprehensive income/(loss): | | | | | | |
| Increase/(decrease) in fair value of available-for-sale investments | 3,960 | 283 | 1,299.3 | (41,434) | 29,670 | (239.6) |
| Impairment loss on available-for-sale investments | - | 69 | (100.0) | - | 195 | (100.0) |
| Reversal on sale of available-for-sale investments | - | (3,375) | (100.0) | (768) | (3,579) | (78.5) |
| Foreign currency translation | 1,611 | 1,951 | (17.4) | (3,348) | 6,822 | (149.1) |
| Other comprehensive income/(loss) for the period, net of tax | 5,571 | (1,072) | (619.7) | (45,550) | 33,108 | (237.6) |
| Total comprehensive income/(loss) for the period | 13,131 | 5,328 | 146.5 | (15,898) | 42,872 | (137.1) |
| Profit attributable to: | | | | | | |
| Equity holders of the Company | 6,695 | 6,400 | 4.6 | 28,750 | 9,764 | 194.4 |
| Non-controlling interests | 865 | - | nm | 902 | - | nm |
| | 7,560 | 6,400 | 18.1 | 29,652 | 9,764 | 203.7 |
| Total comprehensive income/(loss) attributable to: | | | | | | |
| Equity holders of the Company | 12,258 | 5,328 | 130.1 | (16,519) | 42,872 | (138.5) |
| Non-controlling interests | 873 | - | nm | 621 | - | nm |
| | 13,131 | 5,328 | 146.5 | (15,898) | 42,872 | (137.1) |

1(a)(ii) Profit for the 2nd quarter and 1st half ended 31 December 2011 included the following items:

| | Group | | | | | |
|---|------------------------------------|------------------------------------|---------------|---------------------------------|---------------------------------|----------------|
| | USD'000 | | % | USD'000 | | % |
| | 2nd quarter ended 31 December 2011 | 2nd quarter ended 31 December 2010 | Change | 1st half ended 31 December 2011 | 1st half ended 31 December 2010 | Change |
| Change in fair value of held-for-trading investments | - | 793 | (100.0) | - | 1,775 | (100.0) |
| Foreign exchange gain | - | 828 | (100.0) | - | 2,243 | (100.0) |
| Gain on disposal of available-for-sale investments` | - | 3,357 | (100.0) | 612 | 3,744 | (83.7) |
| Gain on disposal of associate | - | - | nm | 40 | - | nm |
| Gain on disposal of property, plant and equipment | 50 | 1 | nm | 56 | 1 | nm |
| Gain on re-measurement to fair value of available-for-sale investments | - | - | nm | 27,460 | - | nm |
| Other income | 192 | - | nm | 344 | - | nm |
| Other gains | 242 | 4,979 | (95.1) | 28,512 | 7,763 | 267.3 |
| Change in fair value of held-for-trading investments | (834) | - | nm | (6,687) | - | nm |
| Foreign exchange loss | (304) | - | nm | (1,815) | - | nm |
| Loss on disposal of property, plant and equipment | - | - | nm | - | (178) | (100.0) |
| Loss on disposal of other financial assets at fair value through profit or loss | (99) | - | nm | (99) | - | nm |
| Other losses | (1,237) | - | nm | (8,601) | (178) | 4,732.0 |

nm - not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

| | Group | | Company | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 31/12/2011 USD'000 | 30/06/2011 USD'000 | 31/12/2011 USD'000 | 30/06/2011 USD'000 |
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 45,560 | 50,447 | 20 | 22 |
| Investment property | 16,552 | 18,111 | - | - |
| Subsidiaries | - | - | 57,066 | 57,066 |
| Associate | 49,536 | - | 47,715 | - |
| Investment securities | 56,526 | 117,319 | 38,765 | 99,219 |
| Deferred tax assets | 303 | 212 | - | - |
| Other asset | 315 | 315 | - | - |
| Total non-current assets | 168,792 | 186,404 | 143,566 | 156,307 |
| Current assets | | | | |
| Cash and bank balances | 69,149 | 78,556 | 10,123 | 15,464 |
| Trade receivables | 29,902 | 34,915 | - | - |
| Other receivables and prepayments | 2,809 | 2,706 | 40 | 36 |
| Tax recoverable | - | 12 | - | - |
| Amounts due from subsidiaries | - | - | 51,200 | 35,448 |
| Investment securities | 28,106 | 29,168 | 11,629 | 21,713 |
| Inventories | 39,540 | 38,775 | - | - |
| Total current assets | 169,506 | 184,132 | 72,992 | 72,661 |
| Total assets | 338,298 | 370,536 | 216,558 | 228,968 |
| Equity and liabilities | | | | |
| Current liabilities | | | | |
| Trade payables | 29,556 | 29,303 | 37 | - |
| Other payables | 18,674 | 28,304 | 4,328 | 7,028 |
| Amounts due to subsidiaries | - | - | 9,635 | 6,335 |
| Income tax payable | 3,281 | 5,309 | 424 | 209 |
| Total current liabilities | 51,511 | 62,916 | 14,424 | 13,572 |
| Non-current liabilities | | | | |
| Deferred tax liabilities | 384 | 491 | - | - |
| Total non-current liabilities | 384 | 491 | - | - |
| Total liabilities | 51,895 | 63,407 | 14,424 | 13,572 |
| Capital, reserves and non-controlling interests | | | | |
| Share capital | 152,009 | 152,009 | 152,009 | 152,009 |
| Reserves | 29,881 | 75,150 | 15,513 | 67,617 |
| Accumulated profits/(losses) | 82,227 | 57,118 | 34,612 | (4,230) |
| Equity attributable to equity holders of the Company | 264,117 | 284,277 | 202,134 | 215,396 |
| Non-controlling interests | 22,286 | 22,852 | - | - |
| Total equity | 286,403 | 307,129 | 202,134 | 215,396 |
| Total equity and liabilities | 338,298 | 370,536 | 216,558 | 228,968 |

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

(a) Amount repayable in one year or less, or on demand

| As at 31/12/2011 | | As at 30/06/2011 | |
|------------------|-----------|------------------|-----------|
| USD'000 | | USD'000 | |
| Secured | Unsecured | Secured | Unsecured |
| - | - | - | - |

(b) Amount repayable after one year

| As at 31/12/2011 | | As at 30/06/2011 | |
|------------------|-----------|------------------|-----------|
| USD'000 | | USD'000 | |
| Secured | Unsecured | Secured | Unsecured |
| - | - | - | - |

(c) Details of any collateral

Not applicable

1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

| | 2nd quarter ended 31 December 2011 | 2nd quarter ended 31 December 2010 | 1st half ended 31 December 2011 | 1st half ended 31 December 2010 |
|---|---|---|--|--|
| | USD'000 | USD'000 | USD'000 | USD'000 |
| Cash flows from operating activities | | | | |
| Profit before income tax | 6,028 | 6,514 | 28,692 | 9,944 |
| Adjustments for: | | | | |
| Share of results of associate | (1,821) | - | (1,821) | - |
| Depreciation expense | 990 | 35 | 1,969 | 81 |
| Dividend income | (2,840) | (3,151) | (5,542) | (4,774) |
| Interest income | (262) | (144) | (470) | (478) |
| Net foreign exchange (gain)/loss | 32 | (158) | (135) | (155) |
| (Gain)/loss on disposal of property, plant and equipment | (50) | (1) | (56) | 177 |
| Gain on disposal of held-for-trading investments | (410) | (663) | (478) | (935) |
| Change in fair value of held-for-trading investments | 834 | (793) | 6,687 | (1,775) |
| Gain on disposal of associate | - | - | (40) | - |
| Gain on disposal of available-for-sale investments | - | (3,357) | (612) | (3,744) |
| Loss on disposal of other financial assets at fair value through profit or loss | 99 | - | 99 | - |
| Impairment loss on available-for-sale investments | - | 479 | - | 605 |
| Gain on re-measurement to fair value of available-for-sale investments | - | - | (27,460) | - |
| Change in fair value of other financial assets at fair value through profit or loss | (1,234) | (316) | 751 | (589) |
| Operating cash flow before changes in working capital | 1,366 | (1,555) | 1,584 | (1,643) |
| Changes in working capital: | | | | |
| Proceeds from disposal of held-for-trading investments | 1,605 | 4,553 | 2,450 | 7,363 |
| Purchase of held-for-trading investments | (4,760) | (7,679) | (8,447) | (13,023) |
| Receivables | 6,837 | (20) | 4,961 | (103) |
| Payables | (16,934) | 535 | (9,377) | 2,091 |
| Inventories | 5,939 | - | (765) | - |
| Cash flows used in operating activities | (5,947) | (4,166) | (9,594) | (5,315) |
| Interest received | 260 | 144 | 419 | 478 |
| Dividend received | 2,840 | 3,151 | 5,542 | 4,774 |
| Income tax (paid)/refund | (573) | 11 | (1,183) | (429) |
| Net cash flows used in operating activities | (3,420) | (860) | (4,816) | (492) |
| Cash flows from investing activities | | | | |
| Proceeds from disposal of associate | - | - | 40 | - |
| Purchase of property, plant and equipment | (456) | (3) | (938) | (3) |
| Proceeds from disposal of property, plant and equipment | 50 | 1 | 2,187 | 1,201 |
| Purchase of available-for-sale investments | - | (7,337) | (1,831) | (10,395) |
| Proceeds from disposal of available-for-sale investments | - | 10,299 | 779 | 10,896 |
| Purchase of other financial assets at fair value through profit or loss | - | (2,986) | - | (21,667) |
| Proceeds from disposal of other financial assets at fair value through profit or loss | - | 11,723 | - | 30,493 |
| Net cash flows (used in)/from investing activities | (406) | 11,697 | 237 | 10,525 |
| Cash flows from financing activities | | | | |
| Share repurchase | - | - | - | (67) |
| Dividends paid to equity holders of the Company | (3,641) | - | (3,641) | - |
| Dividends paid to non-controlling interests of subsidiary | (1,187) | - | (1,187) | - |
| Net cash flows used in financing activities | (4,828) | - | (4,828) | (67) |
| Net (decrease)/increase in cash and bank balances | (8,654) | 10,837 | (9,407) | 9,966 |
| Cash and bank balances at beginning of period | 77,803 | 27,606 | 78,556 | 28,477 |
| Cash and bank balances at end of period | 69,149 | 38,443 | 69,149 | 38,443 |
| Pledged deposit | (3,420) | - | (3,420) | - |
| Cash and cash equivalents at end of period | 65,729 | 38,443 | 65,729 | 38,443 |

- 1(d)(i) A statement (for the issuer and group), showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

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Consolidated statement of changes in equity for the 1st half ended 31 December 2011

| | Share capital | Foreign currency translation reserve | Investment revaluation reserve | Accumulated profits | Attributable to equity holders of the Company | Non-controlling interests | Total |
|---|---------------|--------------------------------------|--------------------------------|---------------------|---|---------------------------|----------|
| | USD'000 | USD'000 | USD'000 | USD'000 | USD'000 | USD'000 | USD'000 |
| Balance at 1 July 2011 | 152,009 | 13,479 | 61,671 | 57,118 | 284,277 | 22,852 | 307,129 |
| Total comprehensive income | - | (4,670) | (46,162) | 22,055 | (28,777) | (252) | (29,029) |
| Balance at 30 September 2011 | 152,009 | 8,809 | 15,509 | 79,173 | 255,500 | 22,600 | 278,100 |
| Total comprehensive income | - | 1,603 | 3,960 | 6,695 | 12,258 | 873 | 13,131 |
| Dividends paid to equity holders of the Company | - | - | - | (3,641) | (3,641) | - | (3,641) |
| Dividends paid to non-controlling interests of subsidiary | - | - | - | - | - | (1,187) | (1,187) |
| Balance at 31 December 2011 | 152,009 | 10,412 | 19,469 | 82,227 | 264,117 | 22,286 | 286,403 |

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Consolidated statement of changes in equity for the 1st half ended 31 December 2010

| | Share capital | Foreign currency translation reserve | Investment revaluation reserve | Accumulated profits | Attributable to equity holders of the Company | Non-controlling interests | Total |
|-------------------------------------|---------------|--------------------------------------|--------------------------------|---------------------|---|---------------------------|---------|
| | USD'000 | USD'000 | USD'000 | USD'000 | USD'000 | USD'000 | USD'000 |
| Balance at 1 July 2010 | 152,076 | 4,707 | 62,204 | 15,082 | 234,069 | 3 | 234,072 |
| Total comprehensive income | - | 4,871 | 29,309 | 3,364 | 37,544 | - | 37,544 |
| Repurchase of shares | (67) | - | - | - | (67) | - | (67) |
| Balance at 30 September 2010 | 152,009 | 9,578 | 91,513 | 18,446 | 271,546 | 3 | 271,549 |
| Total comprehensive income | - | 1,951 | (3,023) | 6,400 | 5,328 | - | 5,328 |
| Balance at 31 December 2010 | 152,009 | 11,529 | 88,490 | 24,846 | 276,874 | 3 | 276,877 |

THE COMPANY**Statement of changes in equity for the 1st half ended 31 December 2011**

| | Share capital | Investment revaluation reserve | Accumulated profit/(losses) | Total |
|---|---------------|--------------------------------------|--------------------------------|----------|
| | USD'000 | USD'000 | USD'000 | USD'000 |
| Balance at 1 July 2011 | 152,009 | 67,617 | (4,230) | 215,396 |
| Total comprehensive income | - | (54,506) | 37,153 | (17,353) |
| Balance at 30 September 2011 | 152,009 | 13,111 | 32,923 | 198,043 |
| Total comprehensive income | - | 2,402 | 5,330 | 7,732 |
| Dividends paid to equity holders of the Company | - | - | (3,641) | (3,641) |
| Balance at 31 December 2011 | 152,009 | 15,513 | 34,612 | 202,134 |

THE COMPANY**Statement of changes in equity for the 1st half ended 31 December 2010**

| | Share capital | Investment revaluation reserve | Accumulated profit/(losses) | Total |
|-------------------------------------|---------------|--------------------------------------|--------------------------------|---------|
| | USD'000 | USD'000 | USD'000 | USD'000 |
| Balance at 1 July 2010 | 152,076 | 76,318 | (34,612) | 193,782 |
| Total comprehensive income | - | 26,760 | 4,045 | 30,805 |
| Repurchase of shares | (67) | - | - | (67) |
| Balance at 30 September 2010 | 152,009 | 103,078 | (30,567) | 224,520 |
| Total comprehensive income | - | (4,101) | 17,119 | 13,018 |
| Balance at 31 December 2010 | 152,009 | 98,977 | (13,448) | 237,538 |

- 1(d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no changes in the Company's share capital since the end of the previous period reported on.

As at 31 December 2011, the Company's issued and paid-up capital comprised 933,532,450 (31 December 2010: 933,532,450) ordinary shares.

There were no outstanding convertibles or treasury shares as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

- 1(d)(iii) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

As at 31 December 2011, the total number of issued shares excluding treasury shares was 933,532,450 (30 June 2011: 933,532,450).

- 1(d)(iv) **A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2 **Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by the auditors.

- 3 **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).**

Not applicable.

- 4 **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the audited financial statements for the year ended 30 June 2011 except as stated in paragraph 5 below.

- 5 **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted the new or revised Financial Reporting Standards ("FRS") and interpretations ("INT") that are effective for annual period beginning on or after 1 July 2011. The adoption of these FRSS and INTs did not result in any significant impact on the financial statements of the Group.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

| | | Group | | | | |
|---|--|---|---|--|--|------|
| | | 2nd quarter ended 31 December 2011 | 2nd quarter ended 31 December 2010 | 1st half ended 31 December 2011 | 1st half ended 31 December 2010 | |
| Earnings per ordinary share for the period based on profit attributable to equity holders of the Company after deducting any provision for preference dividends:- | | | | | | |
| (i) | Based on weighted average number of ordinary shares on issue | US cents | 0.72 | 0.69 | 3.08 | 1.05 |
| (ii) | On a fully diluted basis | US cents | 0.72 | 0.69 | 3.08 | 1.05 |

Group basic and fully diluted earnings per ordinary share for the second quarter and first half ended 31 December 2011 are calculated based on the weighted average number of ordinary shares in issue of 933,532,450 shares (2010: 933,532,450) and 933,532,450 shares (2010: 933,619,700) respectively.

Note: Group basic earnings per share was the same as the fully diluted earnings per share as the Group did not have any potential dilutive ordinary shares outstanding as at 31 December 2011 and 2010.

7 Net asset value (for the issuer and the group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on:-

| | | 31 December 2011 | 30 June 2011 |
|-------------|----------|---------------------|-----------------|
| The Group | US cents | 28.29 | 30.45 |
| The Company | US cents | 21.65 | 23.07 |

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Second quarter ended 31 December 2011

Group revenue for the second quarter ended 31 December 2011 ("2Q12") of USD 58.759 million was substantially above USD 4.196 million for the second quarter ended 31 December 2010 ("2Q11"). This resulted from consolidating PCI Ltd's results in 2Q12.

PCI Ltd became a subsidiary of the Group during the fourth quarter ended 30 June 2011. The consolidating of PCI Ltd's results led to the substantial increase in revenue and related expenses for 2Q12. Expenses relating to raw material and consumables, manufacturing, business development and other operating expenses had increased by 100% to a total of USD 50.542 million in 2Q12. This had also led to the increase in employee benefits and depreciation from USD 0.518 million and USD 0.035 million in 2Q11 to USD 1.993 million and USD 0.990 million in 2Q12 respectively.

Change in fair value of other financial assets at fair value through profit or loss was USD 1.234 million in 2Q12 as compared to USD 0.316 million in 1Q12. This was due to gain on forward contracts resulting from the appreciation of USD during the current quarter.

There was a significant drop in other gains from USD 4.979 million in 2Q11 to USD 0.242 million in 2Q12. There had been no disposal of available-for-sale investments during the current quarter, whilst a gain was derived on disposal of available-for-sale investments of USD 3.357 million in 2Q11.

Other losses amounted to USD 1.237 million in 2Q12 as compared to nil in 2Q11. This primarily resulted from a drop in fair valuation of the equities portfolio, which led to a loss incurred on the change in fair value of held-for-trading investments of USD 0.834 million. Foreign exchange loss of USD 0.304 million was incurred in 2Q12.

Income tax benefit of USD 1.532 million in 2Q12, as compared to income tax expense of USD 0.114 million in 2Q11, was due to a reversal of over-provision of tax in prior years.

Other comprehensive income was USD 5.571 million in 2Q12, as compared to other comprehensive loss of USD 1.072 million in 2Q11. This was mainly due to an increase in mark-to-market valuation of available-for-sale investments in 2Q12.

Earnings per share in 2Q12 and 2Q11 were US cents 0.72 and US cents 0.69 respectively.

Six months ended 31 December 2011

For the first half year ended 31 December 2011 ("1H12"), Group revenue was USD 120.978 million and profit after tax was USD 29.652 million. Revenue and profit after tax in the previous corresponding period ended 31 December 2010 ("1 H11") were substantially lower at USD 6.626 million and USD 9.764 million respectively.

When PCI Ltd became a subsidiary of the Group in the last quarter of the financial year ended 30 June 2011, consolidation of its results in 1H12 contributed to the increase in revenue, as well as raw material and consumables, manufacturing, business development, employee benefits, depreciation and other operating expenses in relation to the electronic manufacturing services business.

Other gains of USD 28.512 million in 1H12 were significantly higher than USD 7.763 million in 1H11. This was due to a gain on re-measurement to fair value of available-for-sale investments of USD 27.460 million as a result of the reclassification of the Group's investment in CH Offshore Ltd ("CHO") from an available-for-sale investment to an associate in 1Q12. Other losses of USD 8.601 million in 1H12, as compared to USD 0.178 million in 1H11, had resulted from a drop in mark-to-market valuation of equity investments and loss incurred in foreign exchange.

The reversal of tax over-provided for in prior years led to an income tax benefit of USD 0.960 million in 1H12, as compared to income tax expense of USD 0.180 million in 1H11.

Other comprehensive loss of 1H12 was USD 45.550 million, as compared to other comprehensive income of USD 33.108 million for 1H11. Mark-to-market valuation of available-for-sale investments had decreased in 1H12 and foreign currency translation loss resulted from a strengthening US dollar. In addition, there was a reversal of prior upwards revaluations from the investment revaluation reserve to recognize the investment in CHO as an associate at fair value on its reclassification in 1Q12.

Earnings per share of US cents 3.08 in 1H12 had risen substantially above US cents 1.05 in 1H11.

Share of results of associate

The Group had reclassified its investment in CHO from an available-for-sale investment to an associate on 30 September 2011. Equity accounting for its share of CHO's profit had contributed USD 1.821 million to the share of results of associate in 2Q12.

Review of balance sheet, financial and cash flow position

As at 31 December 2011, the Group remained in a healthy financial position. Cash and bank balances amounted to USD 69.149 million, as compared to USD 78.556 million as at 30 June 2011. Shareholders' funds amounted to USD 264.117 million, 7.1% below USD 284.277 million as at 30 June 2011.

Property, plant and equipment and investment property had decreased by 9.7% to USD 45.560 million and by 8.6% to USD 16.552 million respectively. This was mainly due to foreign currency translation loss on the back of a stronger US dollar.

Associate as at 31 December 2011 amounted to USD 49.536 million due to the reclassification of CHO from a non-current available-for-sale investment to an associate.

Investment securities held as non-current assets of USD 56.526 million as at 31 December 2011 was 51.8% below USD 117.319 million as at 30 June 2011. This resulted from the reclassification of CHO and a drop in fair valuation of equity investments.

Deferred tax assets had increased by 42.9% to USD 0.303 million from USD 0.212 million due to timing difference of tax deductible expenses deferred in relation to an Australian subsidiary.

Trade receivables had decreased by 14.4% from USD 34.915 million to USD 29.902 million, in line with the level of business activities relating to electronics manufacturing services.

Other payables dropped by 34.0% from USD 28.304 million to USD 18.674 million as at 31 December 2011. This resulted from a reduction in the level of provision for expenses required.

Income tax payable of USD 3.281 million and deferred tax liabilities of USD 0.384 million as at 31 December 2011 were lowered substantially due to a reversal of tax over-provided for in prior years.

Net asset value per share was US cents 28.29 as at 31 December 2011, 7.1% below US cents 30.45 as at 30 June 2011.

9 **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

10 **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Growth in the global economy is expected to be subdued and below par. In view of the stagnation, investment opportunities will likely be diminished until the Euro zone debt crisis is resolved.

The Board of Directors will continue to exercise prudence when considering new investments.

Save as disclosed herein, there are no material factors or events which may affect the earnings of the Group between this date up to which the report refers and the date on which the report was issued.

11 **Dividend**

(a) Period ended 31 December 2011

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

(b) Period ended 31 December 2010

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes.

| | |
|------------------|----------------------------------|
| Name of Dividend | Interim |
| Dividend Type | Cash |
| Dividend Rate | 0.50 SG cents per ordinary share |
| Tax Rate | Tax exempt (one-tier) |

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12 **If no dividend has been declared/recommended, a statement to that effect.**

No dividend has been declared/recommendeded by the Company for the current financial period.

13 **If the Group has obtained a general mandate from shareholders for IPTS, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

Not applicable as the Group has not obtained a general mandate from shareholders for Interested Party Transactions.

14 **Negative assurance confirmation by the Board pursuant to Rule 705 (5) of the Listing Manual**

The Board of Directors of the Company hereby confirm to the best of their knowledge that nothing has come to the attention of the Directors of the Company which may render the financial results for the second quarter and first half ended 31 December 2011 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Valerie Tan
Company Secretary
10 February 2012