



Unaudited Financial Statements for the 2nd Quarter and 1st Half Ended 31 December 2013

**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 2013

	Group					
	2nd quarter ended 31 December 2013	2nd quarter ended 31 December 2012	Change	1st half ended 31 December 2013	1st half ended 31 December 2012	Change
	USD'000		%	USD'000		%
<b>Revenue</b> <sup>(1)</sup>	53,440	42,370	26.1	106,495	101,348	5.1
Raw material and consumables	(34,457)	(30,830)	11.8	(71,502)	(75,075)	(4.8)
Manufacturing expenses	(4,925)	(5,386)	(8.6)	(10,307)	(11,449)	(10.0)
Business development expenses	(377)	(579)	(34.9)	(746)	(1,225)	(39.1)
Other operating expenses	(773)	(815)	(5.2)	(1,569)	(1,638)	(4.2)
Property development expense	(5,505)	(14)	nm	(8,051)	(39)	nm
Vessel management expense	(21)	(9)	133.3	(46)	(27)	70.4
Change in fair value of held-for-trading investments	1,274	530	140.4	2,424	2,759	(12.1)
Change in fair value of derivative financial instruments	358	79	nm	839	41	nm
(Loss)/gain on disposal of held-for-trading investments <sup>(1)</sup>	(627)	1,755	nm	(974)	2,296	nm
Employee benefits expense	(2,882)	(3,213)	(10.3)	(5,444)	(7,232)	(24.7)
Depreciation/amortization expense	(629)	(798)	(21.2)	(1,264)	(1,585)	(20.3)
Other expenses	(750)	(819)	(8.4)	(1,593)	(1,695)	(6.0)
Other gains, net (note 1(a)(ii))	1,410	585	141.0	1,169	1,924	(39.2)
Share of results of an associate	1,594	2,387	(33.2)	3,343	4,564	(26.8)
<b>Profit before tax</b>	7,130	5,243	36.0	12,774	12,967	(1.5)
Income tax (expense)/benefit	(773)	332	nm	(875)	134	nm
<b>Profit for the period</b>	6,357	5,575	14.0	11,899	13,101	(9.2)
<b>Other comprehensive income:</b>						
<b>Items that may be reclassified subsequently to profit or loss:</b>						
Available-for-sale investments:						
Changes in fair value	3,904	5,306	(26.4)	12,092	5,670	113.3
Reclassification of realised gain on disposal to profit or loss	-	-	nm	-	(288)	nm
Exchange differences arising from translation of foreign operations	(2,138)	(198)	nm	(2,067)	1,740	nm
Share of other comprehensive income of an associate	-	(11)	nm	-	36	nm
<b>Other comprehensive income for the period, net of tax</b>	1,766	5,097	(65.4)	10,025	7,158	40.1
<b>Total comprehensive income for the period</b>	8,123	10,672	(23.9)	21,924	20,259	8.2
<b>Profit attributable to:</b>						
Equity holders of the Company	5,778	5,278	9.5	11,125	12,437	(10.5)
Non-controlling interests	579	297	94.9	774	664	16.6
	6,357	5,575	14.0	11,899	13,101	(9.2)
<b>Total comprehensive income attributable to:</b>						
Equity holders of the Company	7,573	10,356	(26.9)	21,221	19,379	9.5
Non-controlling interests	550	316	74.1	703	880	(20.1)
	8,123	10,672	(23.9)	21,924	20,259	8.2

<sup>(1)</sup> Comparatives have been restated to conform with current year's presentation.

1(a)(ii) Profit for the 2nd quarter and 1st half ended 31 December 2013 included the following items:

	Group					
	2nd quarter ended 31 December 2013	2nd quarter ended 31 December 2012	Change	1st half ended 31 December 2013	1st half ended 31 December 2012	Change
	USD'000		%	USD'000		%
Gain on disposal of available-for-sale investments	-	207	nm	-	508	nm
Gain on disposal of property, plant and equipment	-	-	nm	9	-	nm
Other income	1,771	187	nm	1,912	317	nm
Foreign exchange (loss)/gain	(361)	191	nm	(752)	1,099	nm
<b>Other gains, net</b>	<b>1,410</b>	<b>585</b>	<b>141.0</b>	<b>1,169</b>	<b>1,924</b>	<b>(39.2)</b>

nm - not meaningful

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

	Group		Company	
	31/12/2013 USD'000	30/6/2013 USD'000	31/12/2013 USD'000	30/6/2013 USD'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	2,661	24,731	10	10
Prepaid lease payment	14,656	15,265	-	-
Subsidiaries	-	-	57,801	57,801
Associate	47,306	45,970	47,715	47,715
Investment securities	77,054	59,014	65,299	47,466
Deferred tax assets	1	-	-	-
Other assets	315	315	-	-
<b>Total non-current assets</b>	<b>141,993</b>	<b>145,295</b>	<b>170,825</b>	<b>152,992</b>
<b>Current assets</b>				
Development properties	49,280	15,634	-	-
Inventories	27,191	26,555	-	-
Trade receivables	123,463	130,177	-	-
Other receivables and prepayments	1,702	1,975	21	20
Tax recoverable	-	6	-	-
Amounts due from subsidiaries	-	-	53,305	59,071
Investment securities	10,508	11,895	307	1,117
Derivative financial instruments	50	6	-	-
Cash and bank balances	112,045	123,615	15,694	22,111
<b>Total current assets</b>	<b>324,239</b>	<b>309,863</b>	<b>69,327</b>	<b>82,319</b>
<b>Total assets</b>	<b>466,232</b>	<b>455,158</b>	<b>240,152</b>	<b>235,311</b>
<b>Equity and liabilities</b>				
<b>Current liabilities</b>				
Trade payables	120,125	114,097	-	-
Other payables	20,108	20,834	6,149	5,745
Amounts due to subsidiaries	-	-	9,749	9,703
Income tax payable	4,984	4,321	209	209
Derivative financial instruments	104	899	8	83
<b>Total current liabilities</b>	<b>145,321</b>	<b>140,151</b>	<b>16,115</b>	<b>15,740</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	2,226	2,138	-	-
<b>Total non-current liabilities</b>	<b>2,226</b>	<b>2,138</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>147,547</b>	<b>142,289</b>	<b>16,115</b>	<b>15,740</b>
<b>Equity</b>				
Share capital	152,009	152,009	152,009	152,009
Reserves	40,476	30,380	36,085	24,201
Accumulated profits	104,913	108,772	35,943	43,361
<b>Equity attributable to equity holders of the Company</b>	<b>297,398</b>	<b>291,161</b>	<b>224,037</b>	<b>219,571</b>
Non-controlling interests	21,287	21,708	-	-
<b>Total equity</b>	<b>318,685</b>	<b>312,869</b>	<b>224,037</b>	<b>219,571</b>
<b>Total equity and liabilities</b>	<b>466,232</b>	<b>455,158</b>	<b>240,152</b>	<b>235,311</b>

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

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

As at 31/12/2013		As at 30/6/2013	
USD'000		USD'000	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

(b) Amount repayable after one year

As at 31/12/2013		As at 30/6/2013	
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 2013	2nd quarter ended 31 December 2012	1st half ended 31 December 2013	1st half ended 31 December 2012
	USD'000	USD'000	USD'000	USD'000
<b>Cash flows from operating activities</b>				
Profit before tax	7,130	5,243	12,774	12,967
Adjustments for:				
Share of results of an associate	(1,594)	(2,387)	(3,343)	(4,564)
Depreciation/amortization expense	629	798	1,264	1,585
Dividend income	(46)	(556)	(2,207)	(2,941)
Interest income	(482)	(257)	(864)	(430)
Net foreign exchange (gain)/loss	(1,211)	47	(1,230)	183
Gain on disposal of property, plant and equipment	-	-	(9)	-
Loss/(gain) on disposal of held-for-trading investments	627	(1,755)	974	(2,296)
Gain on disposal of derivative financial instruments	(2)	-	(2)	-
Gain on disposal of available-for-sale investments	-	(207)	-	(508)
Change in fair value of held-for-trading investments	(1,274)	(530)	(2,424)	(2,759)
Change in fair value of derivative financial instruments	(358)	(79)	(839)	(41)
Other income	(1,710)	-	(1,710)	-
<b>Operating cash flows before changes in working capital</b>	1,709	317	2,384	1,196
Changes in working capital:				
Proceeds from disposal of held-for-trading investments	4,352	11,977	11,376	19,279
Purchase of held-for-trading investments	(3,829)	(3,381)	(8,539)	(6,386)
Proceeds from disposal of derivative financial investments	6,008	-	15,100	-
Purchase of derivative financial investments	(6,008)	-	(15,106)	-
Receivables	2,725	5,479	7,097	13,886
Payables	(2,519)	(2,080)	5,302	(12,933)
Development properties	(13,710)	-	(13,126)	-
Inventories	242	2,405	(636)	7,230
<b>Cash flows (used in)/from operations</b>	(11,030)	14,717	3,852	22,272
Interest received	477	222	754	327
Dividends received from held-for-trading investments	2	508	157	771
Income tax (paid)/refund	(105)	(360)	54	(427)
<b>Net cash flows (used in)/from operating activities</b>	(10,656)	15,087	4,817	22,943
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(80)	(56)	(108)	(647)
Proceeds from disposal of property, plant and equipment	-	-	9	-
Purchase of available-for-sale investments	(4,781)	-	(6,787)	-
Proceeds from disposal of available-for-sale investments	-	5,208	-	6,056
Dividends received from available-for-sale investments	44	48	2,050	2,170
Return on capital by an available-for-sale investment	2,549	-	2,549	-
Dividends received from an associate	2,008	5,470	2,008	5,470
<b>Net cash flows (used in)/from investing activities</b>	(260)	10,670	(279)	13,049
<b>Cash flows from financing activities</b>				
Dividends paid to equity holders of the Company	(14,984)	(7,626)	(14,984)	(7,626)
Dividends paid to non-controlling interests of subsidiary	(1,124)	(1,141)	(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
<b>Net cash flows used in financing activities</b>	(16,108)	(8,767)	(16,108)	(9,160)
<b>Net (decrease)/increase in cash and bank balances</b>	(27,024)	16,990	(11,570)	26,832
<b>Cash and bank balances at beginning of period</b>	139,069	91,448	123,615	81,606
<b>Cash and bank balances at end of period</b>	112,045	108,438	112,045	108,438
Pledged deposits	(2,203)	(3,599)	(2,203)	(3,599)
<b>Cash and cash equivalents at end of period</b>	109,842	104,839	109,842	104,839

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

## THE GROUP

### Consolidated statement of changes in equity for the 1st half ended 31 December 2013

	Share capital	Foreign currency translation reserve	Investment revaluation reserve	Capital reserve	Accumulated profits	Attributable to equity holders of the Company	Non-controlling interests	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
<b>Balance at 1 July 2013</b>	152,009	6,235	23,802	343	108,772	291,161	21,708	312,869
<b>Profit for the period</b>	-	-	-	-	5,347	5,347	195	5,542
Available-for-sale investments:								
Changes in fair value	-	-	8,188	-	-	8,188	-	8,188
Exchange differences arising from translation of foreign operations	-	113	-	-	-	113	(42)	71
<b>Other comprehensive income/(loss), net of tax</b>	-	113	8,188	-	-	8,301	(42)	8,259
<b>Total comprehensive income for the period</b>	-	113	8,188	-	5,347	13,648	153	13,801
<b>Balance at 30 September 2013</b>	152,009	6,348	31,990	343	114,119	304,809	21,861	326,670
<b>Profit for the period</b>	-	-	-	-	5,778	5,778	579	6,357
Available-for-sale investments:								
Changes in fair value	-	-	3,904	-	-	3,904	-	3,904
Exchange differences arising from translation of foreign operations	-	(2,109)	-	-	-	(2,109)	(29)	(2,138)
<b>Other comprehensive income/(loss), net of tax</b>	-	(2,109)	3,904	-	-	1,795	(29)	1,766
<b>Total comprehensive income/(loss) for the period</b>	-	(2,109)	3,904	-	5,778	7,573	550	8,123
Dividends paid to equity holders of the Company	-	-	-	-	(14,984)	(14,984)	-	(14,984)
Dividends paid to non-controlling interests of subsidiary	-	-	-	-	-	-	(1,124)	(1,124)
<b>Balance at 31 December 2013</b>	152,009	4,239	35,894	343	104,913	297,398	21,287	318,685

**THE GROUP**

**Consolidated statement of changes in equity for the 1st half ended 31 December 2012**

	Share capital	Foreign currency translation reserve	Investment revaluation reserve	Capital reserve	Accumulated profits	Attributable to equity holders of the Company	Non-controlling interests	Total
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
<b>Balance at 1 July 2012</b>	152,009	10,693	21,093	189	97,936	281,920	22,628	304,548
<b>Profit for the period</b>	-	-	-	-	7,159	7,159	367	7,526
Available-for-sale investments:								
Changes in fair value	-	-	364	-	-	364	-	364
Reclassification of realised gain on disposal to profit or loss	-	-	(288)	-	-	(288)	-	(288)
Exchange differences arising from translation of foreign operations	-	1,741	-	-	-	1,741	197	1,938
Share of other comprehensive income of an associate	-	-	47	-	-	47	-	47
<b>Other comprehensive income, net of tax</b>	-	1,741	123	-	-	1,864	197	2,061
<b>Total comprehensive income for the period</b>	-	1,741	123	-	7,159	9,023	564	9,587
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
<b>Balance at 30 September 2012</b>	152,009	12,434	21,216	343	105,095	291,097	22,645	313,742
<b>Profit for the period</b>	-	-	-	-	5,278	5,278	297	5,575
Available-for-sale investments:								
Changes in fair value	-	-	5,306	-	-	5,306	-	5,306
Exchange differences arising from translation of foreign operations	-	(217)	-	-	-	(217)	19	(198)
Share of other comprehensive income of an associate	-	-	(11)	-	-	(11)	-	(11)
<b>Other comprehensive income/(loss), net of tax</b>	-	(217)	5,295	-	-	5,078	19	5,097
<b>Total comprehensive income/(loss) for the period</b>	-	(217)	5,295	-	5,278	10,356	316	10,672
Dividends paid to equity holders of the Company	-	-	-	-	(7,626)	(7,626)	-	(7,626)
Dividends paid to non-controlling interests of subsidiary	-	-	-	-	-	-	(1,141)	(1,141)
<b>Balance at 31 December 2012</b>	152,009	12,217	26,511	343	102,747	293,827	21,820	315,647

**THE COMPANY**

**Statement of changes in equity for the 1st half ended 31 December 2013**

	Share capital	Investment revaluation reserve	Accumulated profits	Total
	USD'000	USD'000	USD'000	USD'000
<b>Balance at 1 July 2013</b>	152,009	24,201	43,361	219,571
<b>Profit for the period</b>	-	-	1,230	1,230
Available-for-sale investments:				
Changes in fair value	-	8,303	-	8,303
<b>Other comprehensive income, net of tax</b>	-	8,303	-	8,303
<b>Total comprehensive income for the period</b>	-	8,303	1,230	9,533
<b>Balance at 30 September 2013</b>	152,009	32,504	44,591	229,104
<b>Profit for the period</b>	-	-	6,336	6,336
Available-for-sale investments:				
Changes in fair value	-	3,581	-	3,581
<b>Other comprehensive income, net of tax</b>	-	3,581	-	3,581
<b>Total comprehensive income for the period</b>	-	3,581	6,336	9,917
Dividends paid to equity holders of the Company	-	-	(14,984)	(14,984)
<b>Balance at 31 December 2013</b>	152,009	36,085	35,943	224,037

**THE COMPANY**

**Statement of changes in equity for the 1st half ended 31 December 2012**

	Share capital	Investment revaluation reserve	Accumulated profits	Total
	USD'000	USD'000	USD'000	USD'000
<b>Balance at 1 July 2012</b>	152,009	21,422	36,188	209,619
<b>Profit for the period</b>	-	-	1,034	1,034
Available-for-sale investments:				
Changes in fair value	-	193	-	193
<b>Other comprehensive income, net of tax</b>	-	193	-	193
<b>Total comprehensive income for the period</b>	-	193	1,034	1,227
<b>Balance at 30 September 2012</b>	152,009	21,615	37,222	210,846
<b>Profit for the period</b>	-	-	13,750	13,750
Available-for-sale investments:				
Changes in fair value	-	5,424	-	5,424
<b>Other comprehensive income, net of tax</b>	-	5,424	-	5,424
<b>Total comprehensive income for the period</b>	-	5,424	13,750	19,174
Dividends paid to equity holders of the Company	-	-	(7,626)	(7,626)
<b>Balance at 31 December 2012</b>	152,009	27,039	43,346	222,394

- 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 2013, the Company's issued and paid-up capital comprised 933,532,450 (31 December 2012: 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 2013, the total number of issued shares excluding treasury shares was 933,532,450 (30 June 2013: 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 2013 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 2013. The adoption of these FRSs and INTs did not result in any significant impact on the financial statements of the Group.



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

		<b>Group</b>				
		2nd quarter ended 31 December 2013	2nd quarter ended 31 December 2012	1st half ended 31 December 2013	1st half ended 31 December 2012	
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	0.62	0.57	1.19	1.33
(ii)	On a fully diluted basis	US cents	0.62	0.57	1.19	1.33

Group basic and fully diluted earnings per ordinary share for the second quarter and first half ended 31 December 2013 are calculated based on the weighted average number of ordinary shares in issue of 933,532,450 shares (2012: 933,532,450) 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 2013 and 2012.

**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 2013	30 June 2013
The Group	US cents	31.86	31.19
The Company	US cents	24.00	23.52

**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 2013 ("2Q14") vs second quarter ended 31 December 2012 ("2Q13")**

Group revenue of USD 53.440 million was 26.1% above USD 42.370 million in 2Q13. Increase in revenue was derived from additional Adagio apartment units sold during the current quarter. There was also an increase in revenue contributed by the electronics manufacturing services business.

Raw material and consumables had increased to USD 34.457 million, in line with higher sales. Improved operating margin from reduced manufacturing, business development and other operating expenses was achieved through the sale of higher margin products.

Property development expense of USD 5.505 million was recognised in relation to the Adagio apartments sold during 2Q14. Higher vessel management expense of USD 0.021 million was incurred with the increase in business activities.

As a result of higher mark-to-market valuation, fair value of held-for-trading investments and derivative financial instruments had risen by USD 1.274 million and USD 0.358 million respectively. A loss of USD 0.627 million was incurred on disposal of held-for-trading investments, as compared to a gain of USD 1.755 million in 2Q13.

Employee benefits expense dropped by 10.3% to USD 2.882 million due to reduced staff cost. There was less depreciation/amortization expense as certain equipment has fully depreciated.

Other net gain of USD 1.410 million in 2Q14 was mainly derived from an available-for-sale investment held which had undergone a capital reduction exercise.

In line with the level of taxable profit, income tax expense was USD 0.773 million as compared to income tax benefit of USD 0.332 million in 2Q13.

Other comprehensive income was USD 1.766 million, as compared to USD 5.097 million in 2Q13. Foreign currency translation loss of USD 2.138 million had resulted from the weakening of Australian and Singapore dollars against the US dollar. Mark-to-market valuation of available-for-sale investments had risen by USD 3.904 million in 2Q14, albeit less than 2Q13.

Earnings per share in 2Q14 was US cents 0.62, slightly above US cents 0.57 in 2Q13.

### **Six months ended 31 December 2013 ("1H14") vs six months ended 31 December 2012 ("1H13")**

Group revenue was USD 106.495 million, 5.1% above USD 101.348 million in 1H13. Profit after tax was USD 11.899 million, 9.2% below USD 13.101 million in 1H13. Increase in revenue was attributable to sales of Adagio apartment units which were completed in 4Q13. This had more than offset the drop in electronics manufacturing services revenue in 1H14.

Raw material and consumables, manufacturing, business development and other operating expenses were reduced in 1H14, in line with production level and higher margin business. Increase in property development expense related to cost recognized on Adagio apartments sold. Rise in vessel management expense was in line with the level of business activity.

Fair value of held-for-trading investments and derivative financial instruments had risen by a total of USD 3.263 million in 1H14, based on mark-to-market valuation. A loss on disposal of held-for-trading investments of USD 0.974 million was incurred in 1H14, as compared to a gain of USD 2.296 million in 1H13.

Employee benefits expense had dropped 24.7% to USD 5.444 million. Depreciation/amortization expense was 20.3% lower in 1H14. Other net gains of USD 1.169 million in 1H14 was 39.2% lower, primarily due to foreign exchange loss from weaker Australian and Singapore dollars against US dollar. Higher taxable profit in 1H14 resulted in an income tax expense of USD 0.875 million.

Other comprehensive income of USD 10.025 million was boosted by significantly higher mark-to-market valuation of available-for-sale investments in 1H14.

Earnings per share was US cents 1.19, as compared to US cents 1.33 in 1H13.

### **Share of results of an associate**

Share of results contributed by CH Offshore Ltd in 2Q14 was USD 1.594 million, 33.2% below USD 2.387 million in 2Q13. Results had been impacted by lower revenue generated.

The share of results for 1H14 of USD 3.343 million was 26.8% less than USD 4.564 million in 1H13.

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

As at 31 December 2013, the Group continued to be in a healthy financial position. Cash and bank balances amounted to USD 112.045 million, as compared to USD 123.615 million as at 30 June 2013. Shareholders' funds amounted to USD 297.398 million, 2.1% above USD 291.161 million as at 30 June 2013.

Investment securities held as non-current assets had risen to USD 77.054 million, as compared to USD 59.014 million as at 30 June 2013, as a result of additional investments and higher mark-to-market valuation.

Investment securities held as current assets had dropped by 11.7% to USD 10.508 million, primarily due to disposal of held-for-trading investments. Derivative financial instruments were recognized at fair value through profit or loss.

Development properties of USD 49.280 million comprised cost of residual Adagio apartments and land cost of stages 2 and 3 of the Symphony City development in Perth. Additional land was acquired in Maylands, Perth, during 2Q14 for the purpose of residential property development.

Trade receivables had reduced as settlement occurred on apartment units which were sold. Trade payables had risen as additional property development costs were accrued. Other receivables and prepayments were lowered as prepaid expense was charged to profit or loss.

Income tax payable had risen to USD 4.984 million as a result of higher taxable profits. Deferred tax assets related to timing difference of tax deductible expenses in relation to an Australian subsidiary. Tax recoverable was reduced as refund was fully received.

Net asset value per share was US cents 31.86, slightly above US cents 31.19 as at 30 June 2013.

**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.**

There is growing optimism for the global economy in the next quarter and next 12 months. Despite moderate signs of recovery, optimistic sentiments could be undermined by unexpected sociopolitical events. The global electronics industry is expected to enter into a seasonal lull for the next 6 months, with business outlook remaining uncertain beyond this period.

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

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

**11 Dividend**

**(a) Period ended 31 December 2013**

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

**(b) Period ended 31 December 2012**

Any dividend declared for the corresponding period of the immediately preceding financial year? No

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividend has been declared/recommended 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 Person 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 unaudited financial results for the second quarter and first half ended 31 December 2013 to be false or misleading in any material respect.

**BY ORDER OF THE BOARD**

Valerie Tan  
Company Secretary  
7 February 2014