

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF Q2 RESULTS

1(a) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(a)(i) **STATEMENT OF PROFIT AND LOSS
FOR THE QUARTER ENDED 30 JUNE 2008 AND 30 JUNE 2007**

	Group 2Q2008	Group 2Q2007	Increase/ (Decrease)	Group HY2008	Group HY2007	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	115,461	115,248	0.2%	240,021	228,284	5.1%
Cost of sales	(107,105)	(106,048)	1.0%	(223,450)	(211,385)	5.7%
Gross profit	8,356	9,200	(9.2%)	16,571	16,899	(1.9%)
Other income	379	192	97.4%	510	334	52.7%
Sales and distribution costs	(5,254)	(4,793)	9.6%	(9,779)	(9,314)	5.0%
General and administrative expenses	(3,149)	(3,161)	(0.4%)	(6,075)	(6,469)	(6.1%)
Other expenses	(1,454)	(320)	354.4%	(1,651)	547	N.M.
Finance costs	(514)	(520)	(1.2%)	(1,027)	(987)	4.1%
(Loss)/profit before taxation	(1,636)	598	N.M.	(1,451)	1,010	N.M.
Income tax expense	(145)	(270)	(46.3%)	(217)	(542)	(60.0%)
(Loss)/profit after taxation	(1,781)	328	N.M.	(1,668)	468	N.M.

1(a)(ii) **NOTES TO THE PROFIT AND LOSS STATEMENT**

Notes to the profit and loss account	2Q2008	2Q2007	HY2008	HY2007
	US\$'000	US\$'000	US\$'000	US\$'000
Interest income	58	96	116	179
Gain on disposal of property, plant and equipment	31	123	35	193
Gain on disposal of subsidiary companies	-	-	-	9
Depreciation of property, plant and equipment	(256)	(282)	(519)	(549)
Depreciation on investment property	(5)	(6)	(11)	(12)
Interest on borrowings	(514)	(520)	(1,027)	(987)
Underprovision of tax in respect of prior years	(143)	-	(158)	-
Allowance for doubtful trade debts written back	50	77	52	115
Reversal of stocks written down/ stocks recovered	99	97	185	923
Allowance for doubtful trade debts	(71)	(335)	(71)	(336)
Stocks written down/ off	(1,658)	(353)	(2,116)	(388)
Net foreign exchange gain	75	57	165	47
Impairment of property, plant and equipment	(3)	-	(3)	-

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

BALANCE SHEETS	Group 30/06/2008	Group 31/12/2007	Company 30/06/2008	Company 31/12/2007
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets				
Property, plant and equipment	3,358	3,768	2	3
Investment property	1,957	1,968	-	-
Intangible assets	326	223	-	-
Investments in subsidiaries	-	-	13,049	13,049
Current assets				
Trade debtors	69,094	69,935	8	5
Other debtors	1,102	1,099	-	1
Prepayments	218	92	61	-
Stocks	60,886	63,437	-	-
Amount due from subsidiary companies	-	-	16,996	20,836
Tax recoverable	99	99	-	-
Cash and cash equivalents	17,166	9,616	3,131	87
Total current assets	148,565	144,278	20,196	20,929
Current liabilities				
Trade creditors and accruals	(66,402)	(69,371)	(134)	(148)
Other creditors	(4,545)	(4,398)	-	-
Interest-bearing loans and borrowings	(40,714)	(31,381)	-	-
Finance lease obligations	(91)	(96)	-	-
Provision for taxation	(464)	(399)	(83)	(60)
Total current liabilities	(112,216)	(105,645)	(217)	(208)
Net current assets	36,349	38,633	19,979	20,721
Non-current liabilities				
Finance lease obligations	(132)	(178)	-	-
Deferred tax liabilities	(245)	(245)	-	-
Net assets	41,613	44,169	33,030	33,773
Equity attributable to equity holders of the Company				
Share capital	31,429	31,429	31,429	31,429
Reserves	10,184	12,740	1,601	2,344
	41,613	44,169	33,030	33,773

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

Amount repayable in one year or less, or on demand

At 30/06/2008 (US\$'000)		At 31/12/2007 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
91	40,714	96	31,381

Amount repayable after one year

At 30/06/2008 (US\$'000)		At 31/12/2007 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
132	Nil	178	Nil

Details of any collateral

The Group's borrowings as at 30 June 2008 consisted of interest-bearing loans and borrowings, and finance lease obligations. Finance lease obligations were secured over certain motor vehicles owned by the Group.

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

	Group 2Q2008	Group 2Q2007	Group HY2008	Group HY2007
	US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from operating activities				
(Loss)/ profit before taxation	(1,636)	598	(1,451)	1,010
Adjustments for:-				
Interest income	(58)	(96)	(116)	(179)
Interest expense	514	520	1,027	987
Depreciation of property, plant and equipment	256	282	519	549
Depreciation of investment property	5	6	11	12
Impairment of property, plant and equipment	3	-	3	-
Gain on disposal of property, plant and equipment	(31)	(123)	(35)	(192)
Operating cash flows before changes in working capital	(947)	1,187	(42)	2,187
Decrease/ (increase) in stocks	14,085	(359)	2,551	(119)
Decrease in debtors	12,430	8,787	712	5,913
Decrease in creditors	(9,369)	(5,684)	(2,822)	(13,072)
Cash flows from/ (used in) operations	16,199	3,931	399	(5,091)
Interest received	58	96	116	179
Interest paid	(514)	(520)	(1,027)	(987)
Income tax (paid)/ rebate	(143)	(109)	(150)	568
Net cash flows from/ (used in) operating activities	15,600	3,398	(662)	(5,331)
Cash flows from investing activities				
Purchase of property, plant and equipment	(187)	(974)	(346)	(1,450)
Purchase of club membership	(72)	-	(103)	-
Proceeds on disposal of property, plant and equipment	224	284	269	629
Cash flows used in investing activities	(35)	(690)	(180)	(821)
Cash flows from financing activities				
(Decrease)/ increase in bills payables	(10,508)	(2,810)	9,333	12,431
Repayment of finance lease obligations	(22)	(96)	(51)	(167)
Dividend paid	(890)	(1,605)	(890)	(1,605)
Net cash flows (used in)/ from financing activities	(11,420)	(4,511)	8,392	10,659
Net increase/ (decrease) in cash and cash equivalents	4,145	(1,803)	7,550	4,507
Cash and cash equivalents at beginning of period	13,025	13,269	9,616	6,958
Effects of exchange rate changes	(4)	10	-	11
Cash and cash equivalents at end of period	17,166	11,476	17,166	11,476

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.

HY2008

The Group	Equity Total	Share capital	Foreign currency translation reserve	Statutory reserve fund	Revenue reserve
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2008	44,169	31,429	(927)	25	13,642
Foreign currency translation	2	-	2	-	-
Net income recognised directly in equity	2	-	2	-	-
Net loss for the half year	(1,668)	-	-	-	(1,668)
Total recognised income and expense for the half year	(1,666)	-	2	-	(1,668)
Dividends paid on ordinary shares	(890)	-	-	-	(890)
At 30 June 2008	41,613	31,429	(925)	25	11,084
At 1 January 2007	44,553	31,429	(938)	17	14,045
Foreign currency translation	10	-	10	-	-
Net income recognised directly in equity	10	-	10	-	-
Net profit for the half year	468	-	-	-	468
Total recognised income for the half year	478	-	10	-	468
Transfer to statutory reserve fund	-	-	-	8	(8)
Dividends paid on ordinary shares	(1,605)	-	-	-	(1,605)
At 30 June 2007	43,426	31,429	(928)	25	12,900

2Q2008

The Group	Equity Total	Share capital	Foreign currency translation reserve	Statutory reserve fund	Revenue reserve
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 April 2008	44,286	31,429	(923)	25	13,755
Foreign currency translation	(2)	-	(2)	-	-
Net expense recognised directly in equity	(2)	-	(2)	-	-
Net loss for the quarter	(1,781)	-	-	-	(1,781)
Total recognised expense for the quarter	(1,783)	-	(2)	-	(1,781)
Dividends paid on ordinary shares	(890)	-	-	-	(890)
At 30 June 2008	41,613	31,429	(925)	25	11,084
At 1 April 2007	44,694	31,429	(937)	25	14,177
Foreign currency translation	9	-	9	-	-
Net income recognised directly in equity	9	-	9	-	-
Net profit for the quarter	328	-	-	-	328
Total recognised income for the quarter	337	-	9	-	328
Dividends paid on ordinary shares	(1,605)	-	-	-	(1,605)
At 30 June 2007	43,426	31,429	(928)	25	12,900

HY2008

The Company	Equity Total	Share capital	Revenue reserve
	US\$'000	US\$'000	US\$'000
At 1 January 2008	33,773	31,429	2,344
Net profit for the half year	147	-	147
Total recognised income for the half year	147	-	147
Dividends paid on ordinary shares	(890)	-	(890)
At 30 June 2008	33,030	31,429	1,601
At 1 January 2007	33,683	31,429	2,254
Net profit for the half year	28	-	28
Total recognised income for the half year	28	-	28
Dividends paid on ordinary shares	(1,605)	-	(1,605)
At 30 June 2007	32,106	31,429	677

2Q2008

The Company	Equity Total	Share capital	Revenue reserve
	US\$'000	US\$'000	US\$'000
At 1 April 2008	33,834	31,429	2,405
Net profit for the quarter	86	-	86
Total recognised income for the quarter	86	-	86
Dividends paid on ordinary shares	(890)	-	(890)
At 30 June 2008	33,030	31,429	1,601
At 1 April 2007	33,702	31,429	2,273
Net profit for the quarter	9	-	9
Total recognised income for the quarter	9	-	9
Dividends paid on ordinary shares	(1,605)	-	(1,605)
At 30 June 2007	32,106	31,429	677

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.

The number of shares issued as at 30 June 2008 and 31 December 2007 was 486,022,200.

There were no treasury shares as at 30 June 2008 and 31 December 2007.

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.

	2Q2008	FY2007
Number of issued shares	486,022,200	486,022,200

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.

N.A.

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

The figures have not been audited or reviewed by our auditors.

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

N.A.

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 preparation of the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2007.

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.

N.A.

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		Group	
	2Q2008	2Q2007	HY2008	HY2007
Based on weighted average number of ordinary shares (US cents)	(0.37)	0.07	(0.34)	0.10
On a fully diluted basis (US cents)	N.A.	N.A.	N.A.	N.A.

Earnings per share for 2Q2008 and 2Q2007 have been computed based on the share capital of 486,022,200 shares.

7. Net asset value (for the issuer and 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.

	Group		Company	
	30/06/2008	31/12/2007	30/06/2008	31/12/2007
Net asset value per ordinary share based on existing issued share capital as at end of period reported on (US cents)	8.56	9.09	6.80	6.95

The Group's and the Company's net asset value per ordinary share have been computed based on the share capital of 486,022,200 ordinary shares.

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.

(a) The Group's revenue was flat at US\$115.5 million in 2Q08 compared to US\$115.2 million in 2Q07. Gross profit stood at US\$8.4 million in 2Q08, a decline of 9.2% from US\$9.2 million in 2Q07 due mainly to competitive market conditions and lower average selling prices. Gross profit margins declined to 7.2% in 2Q08 compared with 8.0% in 2Q07.

Sales and distribution costs rose by 9.6% to US\$5.3 million in 2Q08 from US\$4.8 million in 2Q07 mainly due to a weakening US dollar, higher staff costs and operating expenses while other expenses increased 354.4% to US\$1.5 million from US\$0.3 million. The increase in other expenses is mainly attributable to stocks written down which rose to US\$1.7 million in 2Q08 from \$0.4 million in 2Q07 due to lower realisable value arising from slower up-take by the industry. Consequently, the Group incurred a net loss of US\$1.8 million in 2Q08 compared with a net profit after tax of US\$0.3 million in 2Q07.

(b) On the Group's balance sheet, trade debtors' balance decreased from US\$69.9 million in 4Q07 to US\$69.1 million in 2Q08. Trade creditors' balance decreased from US\$69.4 million to US\$66.4 million. AR turnover increased from 51 days in 4Q07 to 59 days in 2Q08. AP turnover days increased from 47 days in 4Q07 to 60 days in 2Q08. Stocks balance decreased from US\$63.4 million to US\$60.9 million. Stocks turnover rose from 43 days to 57 days.

Interest bearing loans and borrowings rose from US\$31.4 million in 4Q07 to US\$40.7 million this quarter, however, cash and cash equivalents has increased from US\$9.6 million to US\$17.2 million. The Group's net debt equity ratio stood at 0.6 times in 2Q08 compared to 0.5 times in 4Q07.

The Group's cash position rose to US\$17.2 million, an increase from US\$11.5 million in the same quarter last year. Cash flow from operating activities increased substantially from US\$3.4 million to US\$15.6 million due mainly to lower stocks and trade debtors balances.

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

N.A

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.

Given the current market condition, the Group remains cautious about its overall business performance.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? **No.**

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable. N.A.

(d) Books closure date. N.A.

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

No dividend has been declared for 2Q2008.

13. Confirmation by the Board pursuant to Rule 705(4) of the Listing Manual

The Board of Directors of the Company hereby confirm to the best of their knowledge that nothing has come to their attention which may render the financial statements for the second quarter ended 30 June 2008 to be false or misleading.

BY ORDER OF THE BOARD

Wong Yoen Har
Company Secretary
30 July 2008