

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF Q1 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) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTERS ENDED 31 MARCH 2011 AND 31 MARCH 2010

	Group 1Q2011	Group 1Q2010	Increase/ (Decrease)
	US\$'000	US\$'000	%
Revenue	122,510	112,813	8.6%
Cost of sales	(113,254)	(105,307)	7.5%
<b>Gross profit</b>	<b>9,256</b>	<b>7,506</b>	<b>23.3%</b>
Other income	82	197	(58.4%)
Sales and distribution costs	(5,097)	(4,161)	22.5%
General and administrative expenses	(2,829)	(2,743)	3.1%
Other expenses	64	(68)	N.M.
Interest expense	(211)	(169)	24.9%
<b>Profit before taxation</b>	<b>1,265</b>	<b>562</b>	<b>125.1%</b>
Income tax expense	(297)	(224)	32.6%
<b>Profit after taxation</b>	<b>968</b>	<b>338</b>	<b>186.4%</b>
<b>Other comprehensive (loss)/ income</b>			
Foreign currency translation	(17)	3	N.M.
Net (loss)/gain on fair value changes of available-for-sale financial assets	(2)	338	N.M.
<b>Other comprehensive (loss)/income for the quarter</b>	<b>(19)</b>	<b>341</b>	<b>N.M.</b>
<b>Total comprehensive income for the quarter</b>	<b>949</b>	<b>679</b>	<b>39.8%</b>

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

1(a)(i) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTERS ENDED 31 MARCH 2011 AND 31 MARCH 2010

	Group 1Q2011	Group 1Q2010	Increase/ (Decrease)
	US\$'000	US\$'000	%
<b>Profit after taxation attributable to:</b>			
Equity holders of the Company	968	338	186.4%
	<b>968</b>	<b>338</b>	<b>186.4%</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company	949	679	39.8%
	<b>949</b>	<b>679</b>	<b>39.8%</b>

1(a)(ii) NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Notes to the consolidated statement of comprehensive income	1Q2011	1Q2010
	US\$'000	US\$'000
Interest income	5	5
Interest on borrowings	(211)	(169)
Allowance for doubtful trade debts written back	45	7
Allowance for doubtful trade debts	(23)	(25)
Reversal of stocks written down / stocks recovered	612	364
Stocks written down / off	(513)	(315)
Reversal of impairment loss on property, plant and equipment	12	-
Loss on disposal of property, plant and equipment	(9)	(40)
Depreciation of property, plant and equipment	(158)	(195)
Over provision of tax in respect of prior years	-	8
Net foreign exchange gain	129	40

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.

<b>BALANCE SHEETS</b>	<b>Group 31/03/2011</b>	<b>Group 31/12/2010</b>	<b>Company 31/03/2011</b>	<b>Company 31/12/2010</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Non-current assets</b>				
Property, plant and equipment	3,519	3,587	-	-
Intangible assets	326	326	-	-
Investments in subsidiaries	-	-	13,049	13,049
Investment securities	2,358	2,360	2,358	2,360
Deferred tax assets	58	59	-	-
<b>Current assets</b>				
Trade debtors	54,511	57,704	6	4
Other debtors	1,108	869	118	7
Stocks	59,856	59,177	-	-
Amounts due from subsidiaries	-	-	16,207	16,021
Cash and short term deposits	18,510	15,983	3,957	4,241
<b>Total current assets</b>	<b>133,985</b>	<b>133,733</b>	<b>20,288</b>	<b>20,273</b>
<b>Current liabilities</b>				
Trade creditors and accruals	(55,898)	(57,810)	(53)	(77)
Other creditors	(8,311)	(5,920)	-	-
Interest-bearing loans and borrowings	(29,244)	(30,785)	-	-
Finance lease obligations	(11)	(22)	-	-
Provision for taxation	(1,361)	(1,056)	(10)	(10)
<b>Total current liabilities</b>	<b>(94,825)</b>	<b>(95,593)</b>	<b>(63)</b>	<b>(87)</b>
<b>Net current assets</b>	<b>39,160</b>	<b>38,140</b>	<b>20,225</b>	<b>20,186</b>
<b>Net assets</b>	<b>45,421</b>	<b>44,472</b>	<b>35,632</b>	<b>35,595</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	32,294	32,294	32,294	32,294
Treasury shares	(201)	(201)	(201)	(201)
Reserves	13,328	12,379	3,539	3,502
	<b>45,421</b>	<b>44,472</b>	<b>35,632</b>	<b>35,595</b>

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

**Amount repayable in one year or less, or on demand**

<b>At 31/03/2011 (US\$'000)</b>		<b>At 31/12/2010 (US\$'000)</b>	
Secured	Unsecured	Secured	Unsecured
11	29,244	22	30,785

**Details of any collateral**

The Group's borrowings as at 31 March 2011 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.**

	<b>Group 1Q2011</b>	<b>Group 1Q2010</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Operating activities</b>		
Profit before taxation	1,265	562
Adjustments for:-		
Interest income	(5)	(5)
Interest expense	211	169
Depreciation of property, plant and equipment	158	195
Loss on disposal of property, plant and equipment	9	40
Reversal of impairment loss on property, plant and equipment	(12)	-
Property, plant and equipment written off	-	3
<b>Operating cash flows before changes in working capital</b>	<b>1,626</b>	<b>964</b>
Increase in stocks	(679)	(4,175)
Decrease/ (increase) in trade and other debtors	2,954	(3,780)
Increase in trade creditors, accruals and other creditors	479	6,525
<b>Cash flows generated from/(used in) operations</b>	<b>4,380</b>	<b>(466)</b>
Interest received	5	5
Interest paid	(211)	(169)
Income tax rebate/(paid)	9	(36)
<b>Net cash flows generated from/(used in) operating activities</b>	<b>4,183</b>	<b>(666)</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(131)	(85)
Proceeds on disposal of property, plant and equipment	44	1
<b>Net cash flows used in investing activities</b>	<b>(87)</b>	<b>(84)</b>
<b>Financing activities</b>		
(Decrease)/ increase in interest-bearing loans and borrowings	(1,541)	938
Purchase of treasury shares	-	(50)
Repayment of finance lease obligations	(11)	(30)
<b>Net cash flows (used in)/generated from financing activities</b>	<b>(1,552)</b>	<b>858</b>
Net increase in cash and short-term deposits	2,544	108
Effects of exchange rate changes on cash and short-term deposits	(17)	3
Cash and short-term deposits at beginning of period	15,983	19,605
<b>Cash and short-term deposits at end of period</b>	<b>18,510</b>	<b>19,716</b>

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.

1Q2011

<b>The Group</b>	<b>Equity, total</b>	<b>Share capital</b>	<b>Treasury shares</b>	<b>Foreign currency translation reserve</b>	<b>Fair value reserve</b>	<b>Statutory reserve</b>	<b>Revenue reserve</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
At 1 January 2011	44,472	32,294	(201)	(1,075)	1,339	25	12,090
Total comprehensive income for the quarter	949	-	-	(17)	(2)	-	968
<b>At 31 March 2011</b>	<b>45,421</b>	<b>32,294</b>	<b>(201)</b>	<b>(1,092)</b>	<b>1,337</b>	<b>25</b>	<b>13,058</b>
At 1 January 2010	41,316	32,294	(19)	(941)	433	25	9,524
Total comprehensive income for the quarter	679	-	-	3	338	-	338
Acquisition of treasury shares	(50)	-	(50)	-	-	-	-
<b>At 31 March 2010</b>	<b>41,945</b>	<b>32,294</b>	<b>(69)</b>	<b>(938)</b>	<b>771</b>	<b>25</b>	<b>9,862</b>

1Q2011

<b>The Company</b>	<b>Equity, Total</b>	<b>Share capital</b>	<b>Treasury shares</b>	<b>Fair value reserve</b>	<b>Revenue reserve</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
At 1 January 2011	35,595	32,294	(201)	1,339	2,163
Total comprehensive income for the quarter	37	-	-	(2)	39
<b>At 31 March 2011</b>	<b>35,632</b>	<b>32,294</b>	<b>(201)</b>	<b>1337</b>	<b>2,202</b>
At 1 January 2010	34,478	32,294	(19)	433	1,770
Total comprehensive income for the quarter	398	-	-	338	60
Acquisition of treasury shares	(50)	-	(50)	-	-
<b>At 31 March 2010</b>	<b>34,826</b>	<b>32,294</b>	<b>(69)</b>	<b>771</b>	<b>1,830</b>

**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.**

In addition to the disclosure in Note 1(d)(i) above, the changes to the company's treasury shares during the year were as follows:-

	1Q2011		FY2010	
	No. of shares	US\$'000	No. of shares	US\$'000
<b>Treasury shares</b>				
At beginning of financial year	5,363,000	201	520,000	19
Purchase during the current period	–	–	4,843,000	182
At end of financial year	5,363,000	201	5,363,000	201

**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.**

The total number of issued shares excluding treasury shares as at the end of 31 March 2011 is 504,659,200 (31 December 2010: 504,659,200)

**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.**

There were no sales, transfers, disposal, cancellation and/or use of treasury share during the current financial period reported on.

**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 2010.

**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	
	1Q2011	1Q2010
Based on weighted average number of ordinary shares (US cent)	0.19	0.07
On a fully diluted basis (US cent)	N.A.	N.A.

Earnings per share excluding treasury shares for 1Q2011 computed based on weighted average number of ordinary shares of 504,659,200 (1Q2010: 509,079,189).

**7. Net asset value (for the issuer and Group) per ordinary share based on the total number of issued share excluding treasury shares of the issuer at the end of the:-**

- (a) current financial period reported on; and  
(b) immediately preceding financial year.

	Group		Company	
	31/03/2011	31/12/2010	31/03/2011	31/12/2010
Net asset value per ordinary share based on existing issued share capital as at end of period reported on (US cents)	9.00	8.81	7.06	7.05

The Group's and the Company's net asset value per ordinary share have been computed based on the share capital of 504,659,200 ordinary shares, excluding treasury 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.

**INCOME STATEMENT**

**Comparing 1Q FY2011 vs 1Q FY2010**

Benefiting from the prevailing strong market demand, the Group reported revenues of US\$122.5 million in 1Q FY2011 representing an 8.6% increase over the US\$112.8 million reported in the corresponding period of the previous financial year.

Total operating expenses were higher increasing by 13.1% from US\$7.1 million in 1Q FY2010 to US\$8.1 million in 1Q FY2011 due to higher business activities. Interest expenses were higher this quarter due to higher financing costs. This is offset by the net foreign exchange gain of US\$0.1 million due to stronger Reminbi against the US Dollar.

Compared to the corresponding period of the previous financial year, gross profit margin improved from 6.7% to 7.6% in 1Q FY2011 and net profit after tax rose from 0.3% to 0.8% in 1Q FY2011. The Group closed the quarter with approximately US\$1.0 million in net profit after tax, a significant improvement of 186.4%. This is attributable to the higher business volume, improved margins and ongoing cost management prudence.

**BALANCE SHEET**

Net assets rose from US\$44.5 million as at 31 December 2010 to US\$45.4 million due primarily to:

- Increase in inventory, which rose from US\$59.2 million as at 31 December 2010 to US\$59.9 million due to higher business activities.



- Decrease in trade and other debtors from US\$58.6 million as at 31 December 2010 to US\$55.6 million. This is attributable to shorter collection period as turnover days improved from 45 days as at 31 December 2010 to 41 days.
- Increase in cash and short term deposits which rose from US\$16.0 million as at 31 December 2010 to US\$18.5 million.
- Increase in trade and other creditors from US\$63.7 million as at 31 December 2010 to US\$64.2 million due to increase in inventory purchases and receipt of customers' deposits. Trade creditors' turnover days improved from 46 days as at 31 December 2010 to 45 days.
- Interest-bearing loans and borrowings decreased from US\$30.8 million as at 31 December 2010 to US\$29.2 million due to lower utilization of trade financing facilities.

## **SHARE HOLDERS' EQUITY**

Shareholders' Equity rose from US\$44.5 million as at 31 December 2010 to US\$45.4 million. This is due to the increase in net reserves, which rose from US\$12.4 million as at 31 December 2010 to US\$13.3 million due to contribution from accumulated profits.

## **WORKING CAPITAL**

In 1Q FY2011, operating activities generated approximately US\$4.2 million net cash inflow compared to the net cash outflow of US\$0.7 million in the corresponding period of the previous financial year. This is due mainly to contribution from the Group's current period profit and the decrease in trade and other debtors.

### **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.**

The Group is cautiously optimistic about its business outlook in the next quarter despite the problems in Japan, the unrests in the Middle East and the possibility of component shortages. It will endeavor to maintain its performance, barring unforeseen events.

### **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 1Q2011.

### **13. Confirmation by the Board pursuant to Rule705(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 their attention which may render the financial statements for the first quarter ended 31 March 2011 to be false or misleading.

**BY ORDER OF THE BOARD**

Wong Yoen Har  
Company Secretary  
3 May 2011