

Third Quarter Financial Statement and Dividend Announcement for the Period Ended 30 September 2011

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF Q3 RESULTS

1(a) An income statement and 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 QUARTER ENDED 30 SEPTEMBER 2011 AND 30 SEPTEMBER 2010**

Consolidated Income Statement

	Group 3Q2011	Group 3Q2010	Increase/ (Decrease)	Group YTD Sep 2011	Group YTD Sep 2010	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	121,514	135,193	(10.1%)	363,696	369,277	(1.5%)
Cost of sales	(112,414)	(125,458)	(10.4%)	(334,727)	(343,103)	(2.4%)
Gross profit	9,100	9,735	(6.5%)	28,969	26,174	10.7%
Other income	290	305	(4.9%)	501	550	(8.9%)
Sales and distribution costs	(5,287)	(4,942)	7.0%	(15,688)	(13,836)	13.4%
General and administrative expenses	(2,938)	(2,905)	1.1%	(8,817)	(8,445)	4.4%
Other expenses	(279)	(730)	(61.8%)	(517)	(1,279)	(59.6%)
Finance costs	(200)	(187)	7.0%	(604)	(544)	11.0%
Profit before taxation	686	1,276	(46.2%)	3,844	2,620	46.7%
Income tax expense	(258)	(388)	(33.5%)	(1,022)	(977)	4.6%
Profit after taxation	428	888	(51.8%)	2,822	1,643	71.8%

Profit attributable to:-						
Equity holders of the company	428	888	(51.8%)	2,822	1,643	71.8%

**1(a)(i) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2011 AND 30 SEPTEMBER 2010**

Consolidated Statement of Other Comprehensive Income

	Group	Group	Increase/ (Decrease)	Group	Group	Increase/ (Decrease)
	3Q2011	3Q2010	(Decrease)	YTD Sep	YTD Sep	(Decrease)
	US\$'000	US\$'000	%	2011	2010	%
				US\$'000	US\$'000	
Profit after taxation	428	888	(51.8%)	2,822	1,643	71.8%
Other comprehensive (loss)/income						
Foreign currency translation	116	(111)	N.M.	53	(108)	N.M.
Net (loss)/gain on fair value changes of available-for-sale financial assets.	(366)	310	N.M.	(1,020)	830	N.M.
Other comprehensive (loss)/income for the period	(250)	199	N.M.	(967)	722	N.M.
Total comprehensive income for the period	178	1,087	(83.6%)	1,855	2,365	(21.6%)
Total comprehensive income attributable to:-						
Equity holders of the company	178	1,087	(83.6%)	1,855	2,365	(21.6%)

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

Notes to the consolidated statement of comprehensive income	3Q2011	3Q2010	YTD Sep 2011	YTD Sep 2010
	US\$'000	US\$'000	US\$'000	US\$'000
Interest income	5	5	17	15
Interest on borrowings	(200)	(186)	(604)	(543)
Allowance for doubtful trade debts written back	38	3	170	24
Allowance for doubtful trade debts	(506)	(278)	(602)	(308)
Reversal of stocks written down/stocks recovered	1,307	336	2,784	940
Stocks written down/off	(886)	(782)	(2,511)	(1,803)
Loss on disposal of property, plant and equipment	-	-	(10)	-
Depreciation of property, plant and equipment	(166)	(181)	(491)	(563)
Overprovision of tax in respect of prior years	-	10	-	13
Net foreign exchange gain/(loss)	(126)	(50)	206	(76)
Reversal of impairment loss on property, plant and equipment	-	-	12	-

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.

BALANCE SHEETS	Group 30/9/2011	Group 31/12/2010	Company 30/9/2011	Company 31/12/2010
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets				
Property, plant and equipment	3,355	3,587	-	-
Intangible assets	326	326	-	-
Investments in subsidiaries	-	-	13,049	13,049
Investment in securities	1,483	2,360	1,483	2,360
Deferred tax assets	54	59	-	-
Current assets				
Trade debtors	61,652	57,704	5	4
Other debtors	736	728	-	-
Prepayment	323	141	59	7
Stocks	63,542	59,177	-	-
Amounts due from subsidiary companies	-	-	16,941	16,021
Cash and short term deposits	12,438	15,983	2,143	4,241
Total current assets	138,691	133,733	19,148	20,273
Current liabilities				
Trade creditors and accruals	(59,357)	(57,810)	(305)	(77)
Other creditors	(7,528)	(5,920)	-	-
Interest-bearing loans and borrowings	(29,883)	(30,785)	-	-
Finance lease obligations	-	(22)	-	-
Provision for taxation	(2,049)	(1,056)	(10)	(10)
Total current liabilities	(98,817)	(95,593)	(315)	(87)
Net current assets	39,874	38,140	18,833	20,186
Net assets	45,092	44,472	33,365	35,595
Equity attributable to equity holders of the Company				
Share capital	32,294	32,294	32,294	32,294
Treasury shares	(201)	(201)	(201)	(201)
Reserves	12,999	12,379	1,272	3,502
	45,092	44,472	33,365	35,595

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

Amount repayable in one year or less, or on demand

At 30/09/2011 (US\$'000)		At 31/12/2010 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
-	29,883	22	30,785

Amount repayable after one year

At 30/09/2011 (US\$'000)		At 31/12/2010 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

The Group's borrowings as at 30 September 2011 consisted of interest-bearing loans and borrowings.

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

	Group 3Q2011	Group 3Q2010	Group YTD Sep2011	Group YTD Sep2010
	US\$'000	US\$'000	US\$'000	US\$'000
Operating activities				
Profit before taxation	686	1,276	3,844	2,620
Adjustments for:-				
Interest income	(5)	(5)	(17)	(15)
Interest expense	200	186	604	543
Depreciation of property, plant and equipment	166	181	491	563
Loss on disposal of property, plant and equipment	-	-	10	-
Reversal of Impairment loss on property, plant and equipment	-	-	(12)	-
Dividend income from investment securities	(217)	(250)	(217)	(250)
Property, plant and equipment written off	1	-	2	47
Operating cash flows before changes in working capital	831	1,388	4,705	3,508
Increase in stocks	(5,688)	(10,858)	(4,363)	(19,490)
Increase in trade debtors, other debtors and prepayments	(2,632)	(8,894)	(4,138)	(13,011)
Increase in trade creditors, accruals and other creditors	3,750	9,146	3,154	10,884
Cash flows used in operations	(3,739)	(9,218)	(642)	(18,109)
Interest received	5	5	17	15
Interest paid	(200)	(186)	(604)	(543)
Income tax refund/(paid)	(13)	5	(24)	(83)
Net cash flows used in operating activities	(3,947)	(9,394)	(1,253)	(18,720)
Investing activities				
Purchase of property, plant and equipment	(68)	(126)	(356)	(394)
Proceeds on disposal of property, plant and equipment	-	6	96	47
Dividend income from investment securities	74	69	74	69
Net cash flows generated from/(used in) investing activities	6	(51)	(186)	(278)
Financing activities				
(Decrease)/increase in interest-bearing loans and borrowings	1,284	14,069	(902)	19,868
Repayment of finance lease obligations	-	(9)	(22)	(60)
Purchase of treasury shares	-	(13)	-	(182)
Dividend paid on ordinary shares	-	-	(1,235)	-
Net cash flows generated from/(used in) financing activities	1,284	14,047	(2,159)	19,626
Net (decrease)/increase in cash and short term deposits	(2,657)	4,602	(3,598)	628
Cash and short term deposits at beginning of period	14,979	15,634	15,983	19,605
Effects of exchange rate changes on cash and short term deposits	116	(111)	53	(108)
Cash and short term deposits at end of period	12,438	20,125	12,438	20,125

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.

YTD Sep 2011		Attributable to equity holders of the Company						
Group	Equity, total US\$'000	Share capital US\$'000	Treasury shares US\$'000	Reserves, total US\$'000	Fair value reserve US\$'000	Statutory reserve US\$'000	Foreign currency translation reserve US\$'000	Revenue reserve US\$'000
Opening balance at 1 January 2011	44,472	32,294	(201)	12,379	1,339	25	(1,075)	12,090
Profit for the period	2,822	-	-	2,822	-	-	-	2,822
<u>Other comprehensive Income</u>								
Foreign currency translation	53	-	-	53	-	-	53	-
Net loss on fair value changes of available-for-sale financial assets	(1,020)	-	-	(1,020)	(1,020)	-	-	-
Other comprehensive income for the period	(967)	-	-	(967)	(1,020)	-	53	-
Total comprehensive income for the period	1,855	-	-	1,855	(1,020)	-	53	2,822
<u>Distributions to owners</u>								
Dividends on ordinary shares	(1,235)	-	-	(1,235)	-	-	-	(1,235)
Closing balance at 30 September 2011	45,092	32,294	(201)	12,999	319	25	(1,022)	13,677
YTD Sep 2010		Attributable to equity holders of the Company						
Group	Equity, total US\$'000	Share capital US\$'000	Treasury shares US\$'000	Reserves, total US\$'000	Fair value reserve US\$'000	Statutory reserve US\$'000	Foreign currency translation reserve US\$'000	Revenue reserve US\$'000
Opening balance at 1 January 2010	41,316	32,294	(19)	9,041	433	25	(941)	9,524
Profit for the period	1,643	-	-	1,643	-	-	-	1,643
<u>Other comprehensive income</u>								
Foreign currency translation	(108)	-	-	(108)	-	-	(108)	-
Net gain on fair value changes of available-for-sale financial assets	830	-	-	830	830	-	-	-
Other comprehensive income for the period	722	-	-	722	830	-	(108)	-
Total comprehensive income for the period	2,365	-	-	2,365	830	-	(108)	1,643
<u>Contributions by owners</u>								
Acquisitions of treasury shares	(182)	-	(182)	-	-	-	-	-
Closing balance at 30 September 2010	43,499	32,294	(201)	11,406	1,263	25	(1,049)	11,167

3Q 2011		Attributable to equity holders of the Company						
Group	Equity, total	Share capital	Treasury shares	Reserves, total	Fair value reserve	Statutory reserve	Foreign currency translation reserve	Revenue reserve
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Opening balance at 1 July 2011	44,914	32,294	(201)	12,821	685	25	(1,138)	13,249
Profit for the period	428	-	-	428	-	-	-	428
<u>Other comprehensive Income</u>								
Foreign currency translation	116	-	-	116	-	-	116	-
Net loss on fair value changes of available-for-sale financial assets	(366)	-	-	(366)	(366)	-	-	-
Other comprehensive income for the period	(250)	-	-	(250)	(366)	-	116	-
Total comprehensive income for the period	178	-	-	178	(366)	-	116	428
<u>Distributions to owners</u>								
Dividends on ordinary shares	-	-	-	-	-	-	-	-
Closing balance at 30 September 2011	45,092	32,294	(201)	12,999	319	25	(1,022)	13,677

3Q 2010		Attributable to equity holders of the Company						
Group	Equity, total	Share capital	Treasury shares	Reserves, total	Fair value reserve	Statutory reserve	Foreign currency translation reserve	Revenue reserve
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Opening balance at 1 July 2010	42,425	32,294	(188)	10,319	953	25	(938)	10,279
Profit for the period	888	-	-	888	-	-	-	888
<u>Other comprehensive income</u>								
Foreign currency translation	(111)	-	-	(111)	-	-	(111)	-
Net gain on fair value changes of available-for-sale financial assets	310	-	-	310	310	-	-	-
Other comprehensive income for the period	199	-	-	199	310	-	(111)	-
Total comprehensive income for the period	1,087	-	-	1,087	310	-	(111)	888
<u>Contributions by owners</u>								
Acquisitions of treasury shares	(13)	-	(13)	-	-	-	-	-
Closing balance at 30 September 2010	43,499	32,294	(201)	11,406	1,263	25	(1,049)	11,167

YTD Sep 2011		Attributable to equity holders of the Company				
Company	Equity, total US\$'000	Share capital US\$'000	Treasury shares US\$'000	Reserves, total US\$'000	Fair value reserve US\$'000	Revenue reserve US\$'000
Opening balance at 1 January 2011	35,595	32,294	(201)	3,502	1,339	2,163
Profit for the period	25	-	-	25	-	25
<u>Other comprehensive income</u>						
Net loss on fair value changes of available-for-sale financial assets	(1,020)	-	-	(1,020)	(1,020)	-
Total comprehensive income for the period	(995)	-	-	(995)	(1,020)	25
<u>Distributions to owners</u>						
Dividends on ordinary shares	(1,235)	-	-	(1,235)	-	(1,235)
Closing balance at 30 September 2011	33,365	32,294	(201)	1,272	319	953

YTD Sep 2010		Attributable to equity holders of the Company				
Company	Equity, total US\$'000	Share capital US\$'000	Treasury shares US\$'000	Reserves, total US\$'000	Fair value reserve US\$'000	Revenue reserve US\$'000
Opening balance at 1 January 2010	34,478	32,294	(19)	2,203	433	1,770
Profit for the period	574	-	-	574	-	574
<u>Other comprehensive income</u>						
Net gain on fair value changes of available-for-sale financial assets	830	-	-	830	830	-
Total comprehensive income for the period	1,404	-	-	1,404	830	574
<u>Contributions by owners</u>						
Acquisitions of treasury shares	(182)	-	(182)	-	-	-
Closing balance at 30 September 2010	35,700	32,294	(201)	3,607	1,263	2,344

3Q 2011		Attributable to equity holders of the Company				
Company	Equity, total US\$'000	Share capital US\$'000	Treasury shares US\$'000	Reserves, total US\$'000	Fair value reserve US\$'000	Revenue reserve US\$'000
Opening balance at 1 July 2011	33,559	32,294	(201)	1,466	685	781
Profit for the period	172	-	-	172	-	172
<u>Other comprehensive income</u>						
Net loss on fair value changes of available-for-sale financial assets	(366)	-	-	(366)	(366)	-
Total comprehensive loss for the period	(194)	-	-	(194)	(366)	172
<u>Distributions to owners</u>						
Dividends on ordinary shares	-	-	-	-	-	-
Closing balance at 30 September 2011	33,365	32,294	(201)	1,272	319	953

3Q 2010		Attributable to equity holders of the Company				
Company	Equity, total US\$'000	Share capital US\$'000	Treasury shares US\$'000	Reserves, total US\$'000	Fair value reserve US\$'000	Revenue reserve US\$'000
Opening balance at 1 July 2010	34,946	32,294	(188)	2,840	953	1,887
Profit for the period	457	-	-	457	-	457
<u>Other comprehensive income</u>						
Net gain on fair value changes of available-for-sale financial assets	310	-	-	310	310	-
Total comprehensive income for the period	767	-	-	767	310	457
<u>Contributions by owners</u>						
Acquisitions of treasury shares	(13)	-	(13)	-	-	-
Closing balance at 30 September 2010	35,700	32,294	(201)	3,607	1,263	2,344

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:-

	3Q2011		3Q2010	
	No. of shares	US\$'000	No. of shares	US\$'000
Treasury shares				
At beginning of financial period	5,363,000	201	5,040,000	188
Purchase during the current period	–	–	323,000	13
At end of financial period	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 30 Sep 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		Group	
	3Q2011	3Q2010	YTD Sep 11	YTD Sep 10
Based on weighted average number of ordinary shares (US cent)	0.08	0.18	0.56	0.32
On a fully diluted basis (US cent)	N.A.	N.A.	N.A.	N.A.

Earnings per share excluding treasury shares for 3Q2011 computed based on weighted average number of ordinary shares of 504,659,200 (3Q2010: 504,823,678) and the YTD Sep 2011 computed based on weighted average number of ordinary shares of 504,659,200 (YTD Sep 2010: 506,868,387), excluding treasury shares.

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	
	30/09/2011	31/12/2010	30/09/2011	31/12/2010
Net asset value per ordinary share based on existing issued share capital as at end of period reported on (US cents)	8.94	8.81	6.61	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 3Q FY2011 vs 3Q FY2010

The Group reported lower performance in 3Q FY2011 compared to the same quarter last year due to economic slowdown in South Asian markets although demand in the North Asian markets comprising mainly China and Hong Kong remained strong. As a result, net profit after tax was 51.8% lower, decreasing from US\$0.89 million (3Q FY2010) to US\$0.43 million at the close of 3Q FY2011.

Revenue this quarter totaled US\$121.5 million compared to US\$135.2 million in the same quarter last year. Gross profit margin improved from 7.2% (3Q FY2010) to 7.5% (3Q FY2011) although absolute gross profit decreased from US\$9.7 million to US\$9.1 million due to lower sales this quarter.

Other income decreased marginally from US\$305,000 to US\$290,000 due to lower dividend income received from investment security.

Operating expenses decreased marginally from US\$8.8 million in 3Q FY2010 to 8.7 million this quarter. The marginal increases in selling and distribution, general administrative and finance costs this quarter were offset by the net inventory write-back of US\$0.4 million.

At the close of 3Q FY2011, the Group's comprehensive income totaled \$0.18 million compared to \$1.1 million in the same quarter last year. This is due to the lower value of quoted investments net of the foreign exchange gain at 3Q FY2011.

BALANCE SHEET

Net assets rose from US\$44.5 million (4Q FY2010) to US\$ 45.1 million (3Q FY2011) due to:

- Increase in trade debtors, which rose from US\$57.7 million to US\$61.6 million, due to higher sales in China and Hong Kong. Trade creditors and accruals rose from US\$57.8 million to US\$59.3million due to higher inventory balance. Trade debtors' turnover days rose slightly from 42 days (3Q FY2010) to 45 days (3Q FY2011) and trade creditors' turnover days stood at 46 days (3Q FY2011) compared to 42 days in 3Q FY2010.
- Inventory balance rose from US\$59.2 million (4Q FY2010) to US\$63.5 million at the close of 3Q FY2011. Inventory turnover period is 49 days compared to 36 days in 3Q FY2010.
- Reduction in interest-bearing bank loans and borrowings, which declined from US\$30.8 million (4Q FY2010) to US\$29.9 million.
- Net increase in tax provision of US\$1 million, increase in prepayments of US\$0.2 million and US\$1.6 million increase in other creditors.
- Cash and short term deposits amounted to US\$12.4 million compared to US\$16.0 million at 4Q FY2010 due to the utilization of cash for inventory funding requirements.

SHAREHOLDERS' EQUITY

Shareholders' equity rose from US\$44.5 million to US\$45.1 million due to a US\$0.62 million increase in reserves.

WORKING CAPITAL

US\$3.9 million used in operating activities was significantly lower than US\$9.4 million reported at the close of 3Q FY 2010. This is due mainly to the profit contribution of US\$0.7 million, increase in stocks of US\$5.7 million, increase in trade debtors, other debtors and prepayments of US\$2.6 million and an increase in trade creditors, accruals and other creditors of US\$3.7million.

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.

Into the final quarter of the year, the Group expects that its business may feel the impact of the global economic slowdown. While business demands in China remain encouraging, it is cautiously optimistic about the market sentiments in Q4 in view of the economic headwinds that are expected to retard growth in many Asian countries.

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 3Q FY2011.

13. Interest person transactions

No IPT mandated has been obtained.

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
NA	Nil	NA

14. 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 third quarter ended 30 Sep 2011 to be false or misleading.

BY ORDER OF THE BOARD

Wong Yoen Har
Company Secretary
2 November 2011