

**Second Quarter Financial Statement And Related Announcement for the Quarter Ended 30 June 2014**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF Q2 RESULTS**

1(a) An income statement and statement of comprehensive income, or 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 INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTERS ENDED 30 JUNE 2014 AND 30 JUNE 2013**

**Consolidated Income Statement**

	<b>Group 2Q2014</b>	<b>Group 2Q2013</b>	<b>Increase/ (Decrease)</b>	<b>Group HY2014</b>	<b>Group HY2013</b>	<b>Increase/ (Decrease)</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>%</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>%</b>
Revenue	194,888	170,647	14.2%	342,637	313,053	9.5%
Cost of sales	(183,009)	(158,422)	15.5%	(320,372)	(290,699)	10.2%
<b>Gross profit</b>	<b>11,879</b>	<b>12,225</b>	<b>(2.8%)</b>	<b>22,265</b>	<b>22,354</b>	<b>(0.4%)</b>
Other income	513	336	52.7%	607	403	50.6%
Sales and distribution costs	(5,935)	(5,865)	1.2%	(11,940)	(11,472)	4.1%
General and administrative expenses	(3,866)	(3,909)	(1.1%)	(7,524)	(7,255)	3.7%
Other expenses	(22)	(521)	(95.8%)	173	(606)	N.M
Interest expense	(295)	(261)	13.0%	(549)	(502)	9.4%
<b>Profit before taxation</b>	<b>2,274</b>	<b>2,005</b>	<b>13.4%</b>	<b>3,032</b>	<b>2,922</b>	<b>3.8%</b>
Income tax expense	(362)	(467)	(22.5%)	(504)	(651)	(22.6%)
<b>Profit after taxation</b>	<b>1,912</b>	<b>1,538</b>	<b>24.3%</b>	<b>2,528</b>	<b>2,271</b>	<b>11.3%</b>

<b>Profit attributable to:</b>						
Equity holders of the Company	1,912	1,538	24.3%	2,528	2,271	11.3%

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year (Cont'd).

1(a)(i) CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTERS ENDED 30 JUNE 2014 AND 30 JUNE 2013 (CONT'D)

Consolidated Statement of Other Comprehensive Income

	Group 2Q2014	Group 2Q2013	Increase/ (Decrease)	Group HY2014	Group HY2013	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
<b>Profit after taxation</b>	<b>1,912</b>	<b>1,538</b>	<b>24.3%</b>	<b>2,528</b>	<b>2,271</b>	<b>11.3%</b>
<b>Other comprehensive income:</b>						
<b>Items that may be reclassified subsequently to profit or loss:</b>						
Foreign currency translation	5	(15)	N.M	15	(12)	N.M
Net gain on fair value changes of available-for-sale financial assets	505	24	2,004.2%	687	227	202.6%
<b>Other comprehensive income for the quarter/ half year</b>	<b>510</b>	<b>9</b>	<b>5,566.7%</b>	<b>702</b>	<b>215</b>	<b>226.5%</b>
<b>Total comprehensive income for the quarter/ half year</b>	<b>2,422</b>	<b>1,547</b>	<b>56.6%</b>	<b>3,230</b>	<b>2,486</b>	<b>29.9%</b>
<b>Total comprehensive income attributable to:</b>						
Equity holders of the Company	2,422	1,547	56.6%	3,230	2,486	29.9%
	<b>2,422</b>	<b>1,547</b>	<b>56.6%</b>	<b>3,230</b>	<b>2,486</b>	<b>29.9%</b>

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

Notes to the consolidated statement of comprehensive income	2Q2014	2Q2013	HY2014	HY2013
	US\$'000	US\$'000	US\$'000	US\$'000
Interest income	5	7	11	11
Interest on borrowings	(295)	(261)	(549)	(502)
Allowance for doubtful trade debts written back	140	33	165	123
Allowance for doubtful trade debts	(209)	(298)	(209)	(325)
Bad debts written off	-	-	-	(46)
Reversal of stocks written down	1,134	626	2,010	1,477
Stocks written down/ off	(1,088)	(859)	(1,793)	(1,801)
Depreciation of property, plant and equipment	(247)	(197)	(503)	(392)
Property, plant and equipment written off	-	(6)	-	(7)
Net foreign exchange (loss)/ gain	(82)	126	(24)	188
Net fair value loss on financial instruments	(69)	-	(371)	-
Loss on liquidation of subsidiary	-	(38)	-	(38)

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.

STATEMENT OF FINANCIAL POSITION	Group 30/06/2014	Group 31/12/2013	Company 30/06/2014	Company 31/12/2013
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Non-current assets</b>				
Property, plant and equipment	3,984	4,409	-	-
Intangible assets	326	326	-	-
Investments in subsidiaries	-	-	13,049	13,049
Investment securities	2,432	1,744	2,432	1,744
Deferred tax assets	37	36	-	-
<b>Current assets</b>				
Trade debtors	118,910	94,518	6	4
Other debtors	825	1,203	-	-
Prepayments	384	317	8	1
Stocks	87,630	76,404	-	-
Amounts due from subsidiaries	-	-	17,099	18,783
Cash and short term deposits	8,767	10,827	2,188	609
<b>Total current assets</b>	<b>216,516</b>	<b>183,269</b>	<b>19,301</b>	<b>19,397</b>
<b>Current liabilities</b>				
Trade creditors and accruals	(95,587)	(68,846)	(712)	(867)
Other creditors	(6,896)	(7,470)	(24)	(41)
Interest-bearing loans and borrowings	(66,401)	(59,326)	-	-
Provision for taxation	(2,554)	(2,282)	(38)	(13)
<b>Total current liabilities</b>	<b>(171,438)</b>	<b>(137,924)</b>	<b>(774)</b>	<b>(921)</b>
<b>Net current assets</b>	<b>45,078</b>	<b>45,345</b>	<b>18,527</b>	<b>18,476</b>
<b>Net assets</b>	<b>51,857</b>	<b>51,860</b>	<b>34,008</b>	<b>33,269</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	32,294	32,294	32,294	32,294
Treasury shares	(96)	(96)	(96)	(96)
Reserves	19,659	19,662	1,810	1,071
	<b>51,857</b>	<b>51,860</b>	<b>34,008</b>	<b>33,269</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 30/06/2014 (US\$'000)</b>		<b>At 31/12/2013 (US\$'000)</b>	
Secured	Unsecured	Secured	Unsecured
-	66,401	-	59,326

**Amount repayable after one year, or on demand**

<b>At 30/06/2014 (US\$'000)</b>		<b>At 31/12/2013 (US\$'000)</b>	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

**Details of any collateral**

The Group's borrowings as at 30 June 2014 consisted of interest-bearing loans and borrowings.

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.

	Group 2Q2014	Group 2Q2013	Group HY2014	Group HY2013
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Operating activities</b>				
Profit before taxation	2,274	2,005	3,032	2,922
Adjustments for:-				
Interest income	(5)	(7)	(11)	(11)
Interest expense	295	261	549	502
Depreciation of property, plant and equipment	247	197	503	392
Property, plant and equipment written off	-	6	-	7
Fair value loss on financial instruments	69	-	371	-
Loss on liquidation of subsidiary	-	38	-	38
<b>Operating cash flows before changes in working capital</b>	<b>2,880</b>	<b>2,500</b>	<b>4,444</b>	<b>3,850</b>
Increase in stocks	(11,071)	(7,798)	(11,226)	(13,733)
Increase in trade debtors, other debtors and prepayments	(28,716)	(12,140)	(24,452)	(9,238)
Increase in trade creditors, accruals and other creditors	21,472	26,609	26,167	18,540
<b>Cash flows (used in)/ generated from operations</b>	<b>(15,435)</b>	<b>9,171</b>	<b>(5,067)</b>	<b>(581)</b>
Interest received	5	7	11	11
Interest paid	(295)	(261)	(549)	(502)
Income tax paid	(27)	(205)	(234)	(356)
<b>Net cash flows (used in)/ generated from operating activities</b>	<b>(15,752)</b>	<b>8,712</b>	<b>(5,839)</b>	<b>(1,428)</b>
<b>Investing activities</b>				
Purchase of property, plant and equipment	(26)	(60)	(78)	(126)
<b>Net cash flows used in investing activities</b>	<b>(26)</b>	<b>(60)</b>	<b>(78)</b>	<b>(126)</b>
<b>Financing activities</b>				
Increase in interest-bearing loans and borrowings	11,806	439	7,075	5,118
Dividend paid on ordinary shares	(3,233)	(3,272)	(3,233)	(3,272)
<b>Net cash flows generated from/ (used in) financing activities</b>	<b>8,573</b>	<b>(2,833)</b>	<b>3,842</b>	<b>1,846</b>
Net (decrease)/ increase in cash and short-term deposits	(7,205)	5,819	(2,075)	292
Effects of exchange rate changes on cash and short-term deposits	5	(15)	15	(12)
Cash and short-term deposits at beginning of period	15,967	8,250	10,827	13,774
<b>Cash and short-term deposits at end of period</b>	<b>8,767</b>	<b>14,054</b>	<b>8,767</b>	<b>14,054</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.

<b>HY2014</b>										
<b>Attributable to equity holders of the Company</b>										
<b>Group</b>	<b>Equity, total</b> US\$'000	<b>Share capital</b> US\$'000	<b>Treasury shares</b> US\$'000	<b>Reserves, total</b> US\$'000	<b>Other reserve</b> US\$'000	<b>Fair value reserve</b> US\$'000	<b>Statutory reserve</b> US\$'000	<b>Foreign currency translation reserve</b> US\$'000	<b>Revenue reserve</b> US\$'000	
<b>Opening balance at 1 January 2014</b>	<b>51,860</b>	<b>32,294</b>	<b>(96)</b>	<b>19,662</b>	<b>103</b>	<b>380</b>	<b>25</b>	<b>(1,176)</b>	<b>20,330</b>	
Profit for the period	2,528	-	-	2,528	-	-	-	-	2,528	
<b>Other comprehensive income:</b>										
Items that may be reclassified subsequently to profit or loss:										
Foreign currency translation	15	-	-	15	-	-	-	15	-	
Net gain on fair value changes of available-for-sale financial assets	687	-	-	687	-	687	-	-	-	
Other comprehensive income for the period	702	-	-	702	-	687	-	15	-	
Total comprehensive income for the period	3,230	-	-	3,230	-	687	-	15	2,528	
<b>Distribution to owners</b>										
Dividends on ordinary shares	(3,233)	-	-	(3,233)	-	-	-	-	(3,233)	
<b>Closing balance at 30 June 2014</b>	<b>51,857</b>	<b>32,294</b>	<b>(96)</b>	<b>19,659</b>	<b>103</b>	<b>1,067</b>	<b>25</b>	<b>(1,161)</b>	<b>19,625</b>	
<b>HY2013</b>										
<b>Attributable to equity holders of the Company</b>										
<b>Group</b>	<b>Equity, total</b> US\$'000	<b>Share capital</b> US\$'000	<b>Treasury shares</b> US\$'000	<b>Reserves, total</b> US\$'000	<b>Other reserve</b> US\$'000	<b>Fair value reserve</b> US\$'000	<b>Statutory reserve</b> US\$'000	<b>Foreign currency translation reserve</b> US\$'000	<b>Revenue reserve</b> US\$'000	
<b>Opening balance at 1 January 2013</b>	<b>48,420</b>	<b>32,294</b>	<b>(201)</b>	<b>16,327</b>	<b>-</b>	<b>85</b>	<b>25</b>	<b>(1,159)</b>	<b>17,376</b>	
Profit for the period	2,271	-	-	2,271	-	-	-	-	2,271	
<b>Other comprehensive income:</b>										
Items that may be reclassified subsequently to profit or loss:										
Foreign currency translation	(12)	-	-	(12)	-	-	-	(12)	-	
Net gain on fair value changes of available-for-sale financial assets	227	-	-	227	-	227	-	-	-	
Other comprehensive income for the period	215	-	-	215	-	227	-	(12)	-	
Total comprehensive income for the period	2,486	-	-	2,486	-	227	-	(12)	2,271	
<b>Distribution to owners</b>										
Dividends on ordinary shares	(3,272)	-	-	(3,272)	-	-	-	-	(3,272)	
<b>Closing balance at 30 June 2013</b>	<b>47,634</b>	<b>32,294</b>	<b>(201)</b>	<b>15,541</b>	<b>-</b>	<b>312</b>	<b>25</b>	<b>(1,171)</b>	<b>16,375</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. (Cont'd).

2Q2014	Attributable to equity holders of the Company								
Group	Equity, total US\$'000	Share capital US\$'000	Treasury shares US\$'000	Reserves, total US\$'000	Other reserve US\$'000	Fair value reserve US\$'000	Statutory reserve US\$'000	Foreign currency translation reserve US\$'000	Revenue reserve US\$'000
<b>Opening balance at 1 April 2014</b>	52,668	32,294	(96)	20,470	103	562	25	(1,166)	20,946
Profit for the period	1,912	-	-	1,912	-	-	-	-	1,912
<b>Other comprehensive income:</b>									
Items that may be reclassified subsequently to profit or loss:									
Foreign currency translation	5	-	-	5	-	-	-	5	-
Net gain on fair value changes of available-for-sale financial assets	505	-	-	505	-	505	-	-	-
Other comprehensive income for the period	510	-	-	510	-	505	-	5	-
Total comprehensive income for the period	2,422	-	-	2,422	-	505	-	5	1,912
<b>Distribution to owners</b>									
Dividends on ordinary shares	(3,233)	-	-	(3,233)	-	-	-	-	(3,233)
<b>Closing balance at 30 June 2014</b>	<b>51,857</b>	<b>32,294</b>	<b>(96)</b>	<b>19,659</b>	<b>103</b>	<b>1,067</b>	<b>25</b>	<b>(1,161)</b>	<b>19,625</b>
<hr/>									
2Q2013	Attributable to equity holders of the Company								
Group	Equity, total US\$'000	Share capital US\$'000	Treasury shares US\$'000	Reserves, total US\$'000	Other reserve US\$'000	Fair value reserve US\$'000	Statutory reserve US\$'000	Foreign currency translation reserve US\$'000	Revenue reserve US\$'000
<b>Opening balance at 1 April 2013</b>	49,359	32,294	(201)	17,266	-	288	25	(1,156)	18,109
Profit for the period	1,538	-	-	1,538	-	-	-	-	1,538
<b>Other comprehensive income:</b>									
Items that may be reclassified subsequently to profit or loss:									
Foreign currency translation	(15)	-	-	(15)	-	-	-	(15)	-
Net loss on fair value changes of available-for-sale financial assets	24	-	-	24	-	24	-	-	-
Other comprehensive income for the period	9	-	-	9	-	24	-	(15)	-
Total comprehensive income for the period	1,547	-	-	1,547	-	24	-	(15)	1,538
<b>Distribution to owners</b>									
Dividends on ordinary shares	(3,272)	-	-	(3,272)	-	-	-	-	(3,272)
<b>Closing balance at 30 June 2013</b>	<b>47,634</b>	<b>32,294</b>	<b>(201)</b>	<b>15,541</b>	<b>-</b>	<b>312</b>	<b>25</b>	<b>(1,171)</b>	<b>16,375</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. (Cont'd).

HY2014		Attributable to equity holders of the Company					
Company	Equity, total US\$'000	Share capital US\$'000	Treasury shares US\$'000	Reserves, total US\$'000	Other reserve US\$'000	Fair value reserve US\$'000	Revenue reserve US\$'000
<b>Opening balance at 1 January 2014</b>	<b>33,269</b>	<b>32,294</b>	<b>(96)</b>	<b>1,071</b>	<b>103</b>	<b>380</b>	<b>588</b>
Profit for the period	3,285	-	-	3,285	-	-	3,285
<b>Other comprehensive income:</b>							
Items that may be reclassified subsequently to profit or loss:							
Net gain on fair value changes of available-for-sale financial assets	687	-	-	687	-	687	-
Other comprehensive income for the period	687	-	-	687	-	687	-
Total comprehensive income for the period	3,972	-	-	3,972	-	687	3,285
<u>Distribution to owners</u>							
Dividends on ordinary shares	(3,233)	-	-	(3,233)	-	-	(3,233)
<b>Closing balance at 30 June 2014</b>	<b>34,008</b>	<b>32,294</b>	<b>(96)</b>	<b>1,810</b>	<b>103</b>	<b>1,067</b>	<b>640</b>

HY2013		Attributable to equity holders of the Company					
Company	Equity, total US\$'000	Share capital US\$'000	Treasury shares US\$'000	Reserves, total US\$'000	Other reserve US\$'000	Fair value reserve US\$'000	Revenue reserve US\$'000
<b>Opening balance at 1 January 2013</b>	<b>32,442</b>	<b>32,294</b>	<b>(201)</b>	<b>349</b>	-	<b>85</b>	<b>264</b>
Profit for the period	3,158	-	-	3,158	-	-	3,158
<b>Other comprehensive income:</b>							
Items that may be reclassified subsequently to profit or loss:							
Net gain on fair value changes of available-for-sale financial assets	227	-	-	227	-	227	-
Other comprehensive income for the period	227	-	-	227	-	227	-
Total comprehensive income for the period	3,385	-	-	3,385	-	227	3,158
<u>Distribution to owners</u>							
Dividends on ordinary shares	(3,272)	-	-	(3,272)	-	-	(3,272)
<b>Closing balance at 30 June 2013</b>	<b>32,555</b>	<b>32,294</b>	<b>(201)</b>	<b>462</b>	-	<b>312</b>	<b>150</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. (Cont'd).

2Q2014							
Attributable to equity holders of the Company							
Company	Equity, total US\$'000	Share capital US\$'000	Treasury shares US\$'000	Reserves, total US\$'000	Other reserve US\$'000	Fair value reserve US\$'000	Revenue reserve US\$'000
<b>Opening balance at 1 April 2014</b>	<b>33,625</b>	<b>32,294</b>	<b>(96)</b>	<b>1,427</b>	<b>103</b>	<b>562</b>	<b>762</b>
Profit for the period	3,111	-	-	3,111	-	-	3,111
<b>Other comprehensive income:</b>							
Items that may be reclassified subsequently to profit or loss:							
Net gain on fair value changes of available-for-sale financial assets	505	-	-	505	-	505	-
Other comprehensive income for the period	505	-	-	505	-	505	-
Total comprehensive income for the period	3,616	-	-	3,616	-	505	3,111
<u>Distribution to owners</u>							
Dividends on ordinary shares	(3,233)	-	-	(3,233)	-	-	(3,233)
<b>Closing balance at 30 June 2014</b>	<b>34,008</b>	<b>32,294</b>	<b>(96)</b>	<b>1,810</b>	<b>103</b>	<b>1,067</b>	<b>640</b>
2Q2013							
Attributable to equity holders of the Company							
Company	Equity, total US\$'000	Share capital US\$'000	Treasury shares US\$'000	Reserves, total US\$'000	Other reserve US\$'000	Fair value reserve US\$'000	Revenue reserve US\$'000
<b>Opening balance at 1 April 2013</b>	<b>32,734</b>	<b>32,294</b>	<b>(201)</b>	<b>641</b>	<b>-</b>	<b>288</b>	<b>353</b>
Profit for the period	3,069	-	-	3,069	-	-	3,069
<b>Other comprehensive income:</b>							
Items that may be reclassified subsequently to profit or loss:							
Net loss on fair value changes of available-for-sale financial assets	24	-	-	24	-	24	-
Other comprehensive income for the period	24	-	-	24	-	24	-
Total comprehensive income for the period	3,093	-	-	3,093	-	24	3,069
<u>Distribution to owners</u>							
Dividends on ordinary shares	(3,272)	-	-	(3,272)	-	-	(3,272)
<b>Closing balance at 30 June 2013</b>	<b>32,555</b>	<b>32,294</b>	<b>(201)</b>	<b>462</b>	<b>-</b>	<b>312</b>	<b>150</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 period were as follows:-

	2Q2014		2Q2013	
	No. of shares	US\$'000	No. of shares	US\$'000
<b>Treasury shares</b>				
At beginning of financial period	2,444,000	96	5,363,000	201
At end of financial period	2,444,000	96	5,363,000	201

In November 2013, the Company transferred 2,919,000 treasury shares to its employees at a weighted average exercise price of \$0.036 each pursuant to the Excelpoint Performance Share Scheme.

- 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 June 2014 is 507,578,200 (31 December 2013: 507,578,200).

- 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 2013.

- 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	
	2Q2014	2Q2013	HY2014	HY2013
Based on weighted average number of ordinary shares (US cent)	0.38	0.30	0.50	0.45
On a fully diluted basis (US cent)	N.A.	N.A.	N.A.	N.A.

Earnings per share excluding treasury shares for 2Q2014 computed based on weighted average number of ordinary shares of 507,578,200 (2Q2013: 504,659,200).

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	
	30/06/2014	31/12/2013	30/06/2014	31/12/2013
Net asset value per ordinary share based on existing issued share capital as at end of period reported on (US cents)	10.22	10.22	6.70	6.55

The Group's and the Company's net asset value per ordinary share have been computed based on the share capital of 507,578,200 (4Q2013: 507,578,200) 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 2Q FY2014 with 2Q FY2013**

The Group reported revenues of US\$194.9 million in the second quarter of FY2014 (2Q FY2014) compared to US\$170.6 million in 2Q FY2013. Revenue rose by 14.2% this quarter due to stronger market demand, particularly for memory products. The Group's gross profit margin this quarter stood at 6.1% compared to 7.2% in the same period last year. This was largely due to the higher sales of memory products, which commanded lower margins. Other income, which amounted to US\$0.5 million, comprise mainly proceeds from the sale of the non-core research and development division. Net profit after tax amounted to US\$1.9 million compared US\$1.5 million in the same period last year, representing an increase of approximately 24.3%.

Total operating expenses decreased by 4.1% from US\$10.6 million to US\$10.1 million. Sales and distribution costs rose marginally by 1.2% to US\$5.9 million. General and administrative expenses decreased by 1.1% to US\$3.9 million. Other expenses of US\$0.02 million comprises mainly net write-back of allowance for doubtful trade debts, and net stocks written back. (2Q FY2013: US\$0.52 million).

Total comprehensive income for the quarter totaled US\$2.4 million compared to US\$1.5 million last year. This increase of 56.6% was due to the net gain on fair value changes of available-for-sale financial assets in 2Q FY2014.

## BALANCE SHEET

Net current assets were marginally lower, decreasing from US\$45.3 million to US\$45.1 million due primarily to:

- Higher trade debtors balance, which increased from US\$94.5 million to US\$118.9 million. Trade debtors' turnover in 2Q FY2014 stood at 49 days (2Q FY2013: 45 days)
- Higher trade creditors balance, which rose from US\$68.8 million to US\$95.6 million. Trade creditors' turnover in 2Q FY2014 stood at 42 days (2Q FY2013: 39 days).
- Higher stock balance, which rose from US\$76.4 million to US\$87.6 million. Stock turnover was 41 days this quarter compared to 43 days in 2Q FY2013.
- Higher Interest-bearing loans and borrowings, which rose from US\$59.3million to US\$66.4 million.
- Lower cash and short term deposits, which decreased from US\$10.8 million to US\$8.8 million.

## SHAREHOLDERS' EQUITY

Shareholders' equity remained relatively stable at US\$51.9 million at the close of the quarter.

## WORKING CAPITAL

Approximately US\$15.8 million were used for operating activities this quarter compared to US\$8.7 million generated in the same quarter last year. This was primarily due to a US\$11.1 million increase in stocks and US\$28.7 million increase in trade debtors, other debtors and prepayments. This was partially offset by a US\$21.5 million increase in trade creditors, accruals and other creditors.

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.**

We are optimistic about our prospects in the third quarter as demand starts to pick up across all markets. Factors include the deployment of the 4G in China, the launch of new smart phones and tablets, the Chinese government's economic stimulus, among which include credit easing and infrastructure spending and the high season for our EMS customers in the ASEAN markets. Barring unforeseen circumstances, the Group expects that it will continue to operate profitably in the forthcoming quarter.

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.

**11. Dividend (cont'd)**

**(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 2Q2014.

**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.**

No IPT mandate has been obtained.

The aggregate value of all interested person transactions during the financial period ended 30 June 2014 were as follows:-

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)	Description of the transaction entered into with the interested person during the financial year under review	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)
Nil	N.A.	N.A.	N.A.

**14. 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 their attention which may render the financial statements for the second quarter ended 30 June 2014 to be false or misleading.

**BY ORDER OF THE BOARD**

Wong Yoen Har  
Company Secretary  
30 July 2014