

First Quarter Financial Statement And Related Announcement for the Quarter Ended 31 March 2015

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF Q1 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 31 MARCH 2015 AND 31 MARCH 2014**

Consolidated Income Statement

	Group 1Q2015	Group 1Q2014	Increase/ (Decrease)
	US\$'000	US\$'000	%
Revenue	177,834	147,749	20.4%
Cost of sales	(167,273)	(137,363)	21.8%
Gross profit	10,561	10,386	1.7%
Other income	53	94	(43.6%)
Sales and distribution costs	(5,615)	(6,005)	(6.5%)
General and administrative expenses	(3,394)	(3,658)	(7.2%)
Other expenses	(304)	195	N.M
Interest expense	(410)	(254)	61.4%
Profit before taxation	891	758	17.5%
Income tax expense	(205)	(142)	44.4%
Profit after taxation	686	616	11.4%
Profit attributable to:			
Equity holders of the Company	686	616	11.4%

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 31 MARCH 2015 AND 31 MARCH 2014 (CONT'D)

Consolidated Statement of Other Comprehensive Income

	Group 1Q2015	Group 1Q2014	Increase/ (Decrease)
	US\$'000	US\$'000	%
Profit after taxation	686	616	11.4%
Other comprehensive income			
Foreign currency translation	1	10	(90.0%)
Net gain on fair value changes of available-for-sale financial assets	115	182	(36.8%)
Other comprehensive income for the period	116	192	(39.6%)
Total comprehensive income for the period	802	808	(0.7%)
Total comprehensive income attributable to:			
Equity holders of the Company	802	808	(0.7%)
	802	808	(0.7%)

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

Notes to the consolidated income and statement of comprehensive income	Group 1Q2015	Group 1Q2014
	US\$'000	US\$'000
Interest income	11	6
Interest on borrowings	(410)	(254)
Allowance for doubtful trade debts written back	5	25
Allowance for doubtful trade debts	(95)	-
Reversal of stocks written down	722	876
Stocks written down/ off	(935)	(705)
Depreciation of property, plant and equipment	(211)	(256)
Net foreign exchange (loss)/ gain	(98)	58
Net fair value loss on financial instruments	(11)	(302)

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 31/03/2015	Group 31/12/2014	Company 31/03/2015	Company 31/12/2014
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets				
Property, plant and equipment	2,232	2,322	-	-
Intangible assets	326	326	-	-
Investments in subsidiaries	-	-	13,049	13,049
Investment securities	2,230	2,115	2,230	2,115
Deferred tax assets	49	49	-	-
Current assets				
Trade debtors	114,580	115,374	8	6
Other debtors	747	894	-	-
Prepayments	328	328	21	2
Stocks	88,246	93,058	-	-
Amounts due from subsidiaries	-	-	19,403	19,164
Cash and short term deposits	12,293	11,847	621	488
Total current assets	216,194	221,501	20,053	19,660
Current liabilities				
Trade creditors and accruals	(68,261)	(76,800)	(1,278)	(920)
Other creditors	(12,405)	(10,361)	(37)	(37)
Interest-bearing loans and borrowings	(81,324)	(80,951)	-	-
Provision for taxation	(2,012)	(1,974)	(20)	(12)
Total current liabilities	(164,002)	(170,086)	(1,335)	(969)
Net current assets	52,192	51,415	18,718	18,691
Net assets	57,029	56,227	33,997	33,855
Equity attributable to equity holders of the Company				
Share capital	32,294	32,294	32,294	32,294
Reserves	24,735	23,933	1,703	1,561
	57,029	56,227	33,997	33,855

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

Amount repayable in one year or less, or on demand

At 31/03/2015 (US\$'000)		At 31/12/2014 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
-	81,324	-	80,951

Amount repayable after one year, or on demand

At 31/03/2015 (US\$'000)		At 31/12/2014 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

The Group's borrowings as at 31 March 2015 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 1Q2015	Group 1Q2014
	US\$'000	US\$'000
Operating activities		
Profit before taxation	891	758
Adjustments for:-		
Interest income	(11)	(6)
Interest expense	410	254
Depreciation of property, plant and equipment	211	256
Fair value loss on financial instrument	11	302
Operating cash flows before changes in working capital	1,512	1,564
Decrease/ (increase) in stocks	4,812	(155)
Decrease in trade debtors, other debtors and prepayments	930	4,264
(Decrease)/ increase in trade creditors, accruals and other creditors	(6,495)	4,695
Cash flows generated from operations	759	10,368
Interest received	11	6
Interest paid	(410)	(254)
Income tax paid	(167)	(207)
Net cash flows generated from operating activities	193	9,913
Investing activities		
Purchase of property, plant and equipment	(121)	(52)
Net cash flows used in investing activities	(121)	(52)
Financing activities		
Increase/ (decrease) in interest-bearing loans and borrowings	373	(4,731)
Net cash flows generated/ (used in) from financing activities	373	(4,731)
Net increase in cash and short-term deposits	445	5,130
Effects of exchange rate changes on cash and short-term deposits	1	10
Cash and short-term deposits at beginning of period	11,847	10,827
Cash and short-term deposits at end of period	12,293	15,967

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.

1Q2015		Attributable to equity holders of the Company							
Group	Equity, total	Share capital	Treasury shares	Reserves, total	Other reserve	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	US\$'000
Opening balance at 1 January 2015	56,227	32,294	-	23,933	227	677	25	(1,176)	24,180
Profit for the period	686	-	-	686	-	-	-	-	686
<u>Other comprehensive income</u>									
Foreign currency translation	1	-	-	1	-	-	-	1	-
Net gain on fair value changes of available-for-sale financial assets	115	-	-	115	-	115	-	-	-
Other comprehensive income for the period	116	-	-	116	-	115	-	1	-
Total comprehensive income for the period	802	-	-	802	-	115	-	1	686
Closing balance at 31 March 2015	57,029	32,294	-	24,735	227	792	25	(1,175)	24,866

1Q2014		Attributable to equity holders of the Company							
Group	Equity, total	Share capital	Treasury shares	Reserves, total	Other reserve	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	US\$'000
Opening balance at 1 January 2014	51,860	32,294	(96)	19,662	103	380	25	(1,176)	20,330
Profit for the period	616	-	-	616	-	-	-	-	616
<u>Other comprehensive income</u>									
Foreign currency translation	10	-	-	10	-	-	-	10	-
Net gain on fair value changes of available-for-sale financial assets	182	-	-	182	-	182	-	-	-
Other comprehensive income for the period	192	-	-	192	-	182	-	10	-
Total comprehensive income for the period	808	-	-	808	-	182	-	10	616
Closing balance at 31 March 2014	52,668	32,294	(96)	20,470	103	562	25	(1,166)	20,946

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).

1Q2015		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
Opening balance at 1 January 2015	33,855	32,294	-	1,561	227	677	657
Profit for the period	27	-	-	27	-	-	27
<u>Other comprehensive income</u>							
Net gain on fair value changes of available-for-sale financial assets	115	-	-	115	-	115	-
Other comprehensive income for the period	115	-	-	115	-	115	-
Total comprehensive income for the period	142	-	-	142	-	115	27
Closing balance at 31 March 2015	33,997	32,294	-	1,703	227	792	684

1Q2014		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
Opening balance at 1 January 2014	33,269	32,294	(96)	1,071	103	380	588
Profit for the period	174	-	-	174	-	-	174
<u>Other comprehensive income</u>							
Net gain on fair value changes of available-for-sale financial assets	182	-	-	182	-	182	-
Other comprehensive income for the period	182	-	-	182	-	182	-
Total comprehensive income for the period	356	-	-	356	-	182	174
Closing balance at 31 March 2014	33,625	32,294	(96)	1,427	103	562	762

- 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:-

	1Q2015		1Q2014	
	No. of shares	US\$'000	No. of shares	US\$'000
Treasury shares				
At beginning of financial period	-	-	2,444,000	96
At end of financial period	-	-	2,444,000	96

In November 2014, the Company transferred 2,444,000 treasury shares to its employees at a weighted average exercise price of \$0.039 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 31 March 2015 is 510,022,200 (31 December 2014: 510,022,200).

- 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.**

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 2014.

- 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	
	1Q2015	1Q2014
Based on weighted average number of ordinary shares (US cent)	0.13	0.12
On a fully diluted basis (US cent)	N.A.	N.A.

Earnings per share excluding treasury shares for 1Q2015 computed based on weighted average number of ordinary shares of 510,022,200 (1Q2014: 507,578,200).

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	
	31/03/2015	31/12/2014	31/03/2015	31/12/2014
Net asset value per ordinary share based on existing issued share capital as at end of period reported on (US cents)	11.18	11.02	6.67	6.64

The Group's and the Company's net asset value per ordinary share have been computed based on the share capital of 510,022,200 (31 December 2014: 510,022,200) 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 FY2015 to 1Q FY2014

At the close of 1Q FY2015, with higher revenue contributions from across all markets, the Group reported revenue of US\$177.8 million, which is 20.4% higher than the revenue of US\$147.7 million reported in 1Q FY2014. With lower non-recurring engineering income, "other income" was lower decreasing from US\$94,000 (1Q FY2014) to US\$53,000 in 1Q FY2015.

Total operating expenses remained relatively the same at US\$9.7 million. Interest expense saw an increase of 61.4%, rising from US\$0.3 million to US\$0.4 million. All other operating costs were lower with sales and distribution expenses declining by 6.5% from US\$6.0 million to US\$5.6 million; and general and administrative expenses reducing by 7.2% from US\$3.7 million to US\$3.4 million. Other expenses rose to US\$0.3 million due to increase in provisions made.

At the close of the quarter, the Group reported net profit after tax of US\$0.7 million compared to US\$0.6 million in 1Q FY2014. Taking into consideration the US\$0.1 million net gain on fair value changes of available-for-sale financial assets, the Group reported total comprehensive income of US\$0.8 million at the close of 1Q FY2015.

BALANCE SHEET

Net current assets rose from US\$51.4 million to US\$52.2 million due mainly to:-

- Lower trade debtors, which decreased from US\$115.4 million to US\$114.6 million. Trade debtors turnover stood at 59 days compared to 57 days in 1Q FY2014.
- Lower other debtors, which decreased from US\$0.9 million to US\$0.7 million.
- Lower stocks balance, which decreased from US\$93.1 million to US\$88.2 million.
- Higher cash and short term deposits, which rose from US\$11.8 million to US\$12.3 million.
- Lower trade creditors and accruals which decreased from US\$76.8 million to US\$68.3 million. Trade creditors turnover stood at 40 days compared to 47 days in 1Q FY2014.
- Higher other creditors, which increased from US\$10.4 million to US\$12.4 million.
- Increased interest-bearing loans and borrowings, which increased from US\$81.0 million to US\$81.3 million.

SHAREHOLDERS' EQUITY

Shareholders' equity rose from US\$56.2 million to US\$57.0 million due to a US\$0.8 million increase in reserves.

WORKING CAPITAL

Operating activities generated net cash inflow of US\$0.2 million compared to US\$9.9 million in 1Q FY2014. This is due mainly to working capital arising from decrease in stocks; decrease in trade debtors, other debtors and prepayments; and a decrease in trade creditors, accruals and other creditors. Financing activities generated US\$0.3 million through the increase in interest-bearing loans and borrowings in 1Q FY2015, as compared to a decrease of US\$4.7 million in 1Q FY2014.

- 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.**

Despite the slow economic growth in the region, we did well in the first quarter. Supported by our well-entrenched network across the region, we remain positive about our business in the forthcoming quarter.

In China, the timely implementation of the government's fiscal and monetary policies provided the much needed support to many businesses. Amid cautious optimism, we expect to see some growth in the handsets and LED lightings sectors as well as contributions from new product lines.

In ASEAN, the demand from the consumer, telecommunication and EMS business segments remain soft. Opportunities in this region will likely come from government projects in the areas of e-Meters and power distribution in countries like Indonesia and Vietnam.

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 1Q2015.

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 31 March 2015 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 first quarter ended 31 March 2015 to be false or misleading.

BY ORDER OF THE BOARD

Wong Yoen Har
Company Secretary
6 May 2015