

Second Quarter Financial Statement And Related Announcement for the Quarter Ended 30 June 2015

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 2015 AND 30 JUNE 2014**

Consolidated Income Statement

	Group 2Q2015	Group 2Q2014	Increase/ (Decrease)	Group HY2015	Group HY2014	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	203,297	194,888	4.3%	381,131	342,637	11.2%
Cost of sales	(191,160)	(183,009)	4.5%	(358,433)	(320,372)	11.9%
Gross profit	12,137	11,879	2.2%	22,698	22,265	1.9%
Other income	96	513	(81.3%)	149	607	(75.5%)
Sales and distribution costs	(5,925)	(5,935)	(0.2%)	(11,540)	(11,940)	(3.4%)
General and administrative expenses	(3,467)	(3,866)	(10.3%)	(6,861)	(7,524)	(8.8%)
Other expenses	(976)	(22)	4336.4%	(1,280)	173	N.M
Interest expense	(387)	(295)	31.2%	(797)	(549)	45.2%
Profit before taxation	1,478	2,274	(35.0%)	2,369	3,032	(21.9%)
Income tax expense	(269)	(362)	(25.7%)	(474)	(504)	(6.0%)
Profit after taxation	1,209	1,912	(36.8%)	1,895	2,528	(25.0%)

Profit attributable to:						
Equity holders of the Company	1,209	1,912	(36.8%)	1,895	2,528	(25.0%)

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 2015 AND 30 JUNE 2014 (CONT'D)

Consolidated Statement of Other Comprehensive Income

	Group 2Q2015	Group 2Q2014	Increase/ (Decrease)	Group HY2015	Group HY2014	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Profit after taxation	1,209	1,912	(36.8%)	1,895	2,528	(25.0%)
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation	(8)	5	N.M	(7)	15	N.M
Net gain on fair value changes of available-for-sale financial assets	135	505	(73.3%)	250	687	(63.6%)
Other comprehensive income for the quarter/ half year	127	510	(75.1%)	243	702	(65.4%)
Total comprehensive income for the quarter/ half year	1,336	2,422	(44.8%)	2,138	3,230	(33.8%)
Total comprehensive income attributable to:						
Equity holders of the Company	1,336	2,422	(44.8%)	2,138	3,230	(33.8%)
	1,336	2,422	(44.8%)	2,138	3,230	(33.8%)

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

Notes to the consolidated statement of comprehensive income	2Q2015	2Q2014	HY2015	HY2014
	US\$'000	US\$'000	US\$'000	US\$'000
Interest income	8	5	19	11
Interest on borrowings	(387)	(295)	(797)	(549)
Allowance for doubtful trade debts written back	88	140	93	165
Allowance for doubtful trade debts	(336)	(209)	(431)	(209)
Bad debts written off	(33)	-	(33)	-
Reversal of stocks written down	1,271	1,134	1,993	2,010
Stocks written down/ off	(1,966)	(1,088)	(2,901)	(1,793)
Depreciation of property, plant and equipment	(214)	(247)	(425)	(503)
Net foreign exchange loss	(27)	(82)	(125)	(24)
Net fair value loss on financial instruments	(9)	(69)	(20)	(371)

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 30/06/2015	Group 31/12/2014	Company 30/06/2015	Company 31/12/2014
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets				
Property, plant and equipment	2,079	2,322	-	-
Intangible assets	326	326	-	-
Investments in subsidiaries	-	-	13,049	13,049
Investment securities	2,366	2,115	2,366	2,115
Deferred tax assets	48	49	-	-
Current assets				
Trade debtors	135,656	115,374	8	6
Other debtors	809	894	-	-
Prepayments	296	328	7	2
Stocks	108,228	93,058	-	-
Amounts due from subsidiaries	-	-	19,018	19,164
Cash and short term deposits	10,259	11,847	796	488
Total current assets	255,248	221,501	19,829	19,660
Current liabilities				
Trade creditors and accruals	(106,699)	(76,800)	(393)	(920)
Other creditors	(10,114)	(10,361)	(202)	(37)
Interest-bearing loans and borrowings	(85,705)	(80,951)	-	-
Provision for taxation	(2,219)	(1,974)	(77)	(12)
Total current liabilities	(204,737)	(170,086)	(672)	(969)
Net current assets	50,511	51,415	19,157	18,691
Net assets	55,330	56,227	34,572	33,855
Equity attributable to equity holders of the Company				
Share capital	32,340	32,294	32,340	32,294
Reserves	22,990	23,933	2,232	1,561
	55,330	56,227	34,572	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 30/06/2015 (US\$'000)		At 31/12/2014 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
-	85,705	-	80,951

Amount repayable after one year, or on demand

At 30/06/2015 (US\$'000)		At 31/12/2014 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

The Group's borrowings as at 30 June 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 2Q2015	Group 2Q2014	Group HY2015	Group HY2014
	US\$'000	US\$'000	US\$'000	US\$'000
Operating activities				
Profit before taxation	1,478	2,274	2,369	3,032
Adjustments for:-				
Interest income	(8)	(5)	(19)	(11)
Interest expense	387	295	797	549
Depreciation of property, plant and equipment	214	247	425	503
Fair value loss on financial instruments	9	69	20	371
Operating cash flows before changes in working capital	2,080	2,880	3,592	4,444
Increase in stocks	(19,982)	(11,071)	(15,170)	(11,226)
Increase in trade debtors, other debtors and prepayments	(21,115)	(28,716)	(20,185)	(24,452)
Increase in trade creditors, accruals and other creditors	36,193	21,472	29,698	26,167
Cash flows used in operations	(2,824)	(15,435)	(2,065)	(5,067)
Interest received	8	5	19	11
Interest paid	(387)	(295)	(797)	(549)
Income tax paid	(62)	(27)	(229)	(234)
Net cash flows used in operating activities	(3,265)	(15,752)	(3,072)	(5,839)
Investing activities				
Purchase of property, plant and equipment	(61)	(26)	(182)	(78)
Net cash flows used in investing activities	(61)	(26)	(182)	(78)
Financing activities				
Increase in interest-bearing loans and borrowings	4,381	11,806	4,754	7,075
Dividend paid on ordinary shares	(3,081)	(3,233)	(3,081)	(3,233)
Net cash flows generated from financing activities	1,300	8,573	1,673	3,842
Net decrease in cash and short-term deposits	(2,026)	(7,205)	(1,581)	(2,075)
Effects of exchange rate changes on cash and short-term deposits	(8)	5	(7)	15
Cash and short-term deposits at beginning of period	12,293	15,967	11,847	10,827
Cash and short-term deposits at end of period	10,259	8,767	10,259	8,767

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.

HY2015										
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	
Opening balance at 1 January 2015	56,227	32,294	-	23,933	227	677	25	(1,176)	24,180	
Profit for the period	1,895	-	-	1,895	-	-	-	-	1,895	
Other comprehensive income:										
Items that may be reclassified subsequently to profit or loss:										
Foreign currency translation	(7)	-	-	(7)	-	-	-	(7)	-	
Net gain on fair value changes of available-for-sale financial assets	250	-	-	250	-	250	-	-	-	
Other comprehensive income for the period	243	-	-	243	-	250	-	(7)	-	
Total comprehensive income for the period	2,138	-	-	2,138	-	250	-	(7)	1,895	
Contribution by and distribution to owners										
Issuance of new shares	46	46	-	-	-	-	-	-	-	
Dividends on ordinary shares	(3,081)	-	-	(3,081)	-	-	-	-	(3,081)	
Closing balance at 30 June 2015	55,330	32,340	-	22,990	227	927	25	(1,183)	22,994	
HY2014										
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	
Opening balance at 1 January 2014	51,860	32,294	(96)	19,662	103	380	25	(1,176)	20,330	
Profit for the period	2,528	-	-	2,528	-	-	-	-	2,528	
Other comprehensive income:										
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	
Distribution to owners										
Dividends on ordinary shares	(3,233)	-	-	(3,233)	-	-	-	-	(3,233)	
Closing balance at 30 June 2014	51,857	32,294	(96)	19,659	103	1,067	25	(1,161)	19,625	

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).

2Q2015										
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	
Opening balance at 1 April 2015	57,029	32,294	-	24,735	227	792	25	(1,175)	24,866	
Profit for the period	1,209	-	-	1,209	-	-	-	-	1,209	
Other comprehensive income:										
Items that may be reclassified subsequently to profit or loss:										
Foreign currency translation	(8)	-	-	(8)	-	-	-	(8)	-	
Net gain on fair value changes of available-for-sale financial assets	135	-	-	135	-	135	-	-	-	
Other comprehensive income for the period	127	-	-	127	-	135	-	(8)	-	
Total comprehensive income for the period	1,336	-	-	1,336	-	135	-	(8)	1,209	
Contribution by and distribution to owners										
Issuance of new shares	46	46	-	-	-	-	-	-	-	
Dividends on ordinary shares	(3,081)	-	-	(3,081)	-	-	-	-	(3,081)	
Closing balance at 30 June 2015	55,330	32,340	-	22,990	227	927	25	(1,183)	22,994	
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	
Opening balance at 1 April 2014	52,668	32,294	(96)	20,470	103	562	25	(1,166)	20,946	
Profit for the period	1,912	-	-	1,912	-	-	-	-	1,912	
Other comprehensive income:										
Items that may be reclassified subsequently to profit or loss:										
Foreign currency translation	5	-	-	5	-	-	-	5	-	
Net loss 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	
Distribution to owners										
Dividends on ordinary shares	(3,233)	-	-	(3,233)	-	-	-	-	(3,233)	
Closing balance at 30 June 2014	51,857	32,294	(96)	19,659	103	1,067	25	(1,161)	19,625	

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).

HY2015	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	3,502	-	-	3,502	-	-	3,502
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss:							
Net gain on fair value changes of available-for-sale financial assets	250	-	-	250	-	250	-
Other comprehensive income for the period	250	-	-	250	-	250	-
Total comprehensive income for the period	3,752	-	-	3,752	-	250	3,502
Contribution by and distribution to owners							
Issuance of new shares	46	46	-	-	-	-	-
Dividends on ordinary shares	(3,081)	-	-	(3,081)	-	-	(3,081)
Closing balance at 30 June 2015	34,572	32,340	-	2,232	227	927	1,078
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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
Opening balance at 1 January 2014	33,269	32,294	(96)	1,071	103	380	588
Profit for the period	3,285	-	-	3,285	-	-	3,285
Other comprehensive income:							
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
Distribution to owners							
Dividends on ordinary shares	(3,233)	-	-	(3,233)	-	-	(3,233)
Closing balance at 30 June 2014	34,008	32,294	(96)	1,810	103	1,067	640

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).

2Q2015		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 April 2015	33,997	32,294	-	1,703	227	792	684
Profit for the period	3,475	-	-	3,475	-	-	3,475
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss:							
Net gain on fair value changes of available-for-sale financial assets	135	-	-	135	-	135	-
Other comprehensive income for the period	135	-	-	135	-	135	-
Total comprehensive income for the period	3,610	-	-	3,610	-	135	3,475
Contribution by and distribution to owners							
Issuance of new shares	46	46	-	-	-	-	-
Dividends on ordinary shares	(3,081)	-	-	(3,081)	-	-	(3,081)
Closing balance at 30 June 2015	34,572	32,340	-	2,232	227	927	1,078
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
Opening balance at 1 April 2014	33,625	32,294	(96)	1,427	103	562	762
Profit for the period	3,111	-	-	3,111	-	-	3,111
Other comprehensive income:							
Items that may be reclassified subsequently to profit or loss:							
Net loss 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
Distribution to owners							
Dividends on ordinary shares	(3,233)	-	-	(3,233)	-	-	(3,233)
Closing balance at 30 June 2014	34,008	32,294	(96)	1,810	103	1,067	640

- 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:-

	2Q2015		2Q2014	
	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 US\$0.039 (S\$0.055) each pursuant to the Excelpoint Performance Share Scheme.

Grant of Share Awards Pursuant to the Excelpoint Performance Share Scheme

In May 2015, the Company allotted and issued 598,000 ordinary shares in the share capital of the Company at the Market Price of US\$0.073 (S\$0.100) under the Excelpoint Performance Share Scheme. The new shares will rank *pari passu* in all respects with the existing shares of the Company in issue.

- 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 2015 is 510,620,200 (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		Group	
	2Q2015	2Q2014	HY2015	HY2014
Based on weighted average number of ordinary shares (US cent)	0.24	0.38	0.37	0.50
On a fully diluted basis (US cent)	N.A.	N.A.	N.A.	N.A.

Earnings per share for 2Q2015 computed based on weighted average number of ordinary shares of 510,357,343 (2Q2014: 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	
	30/06/2015	31/12/2014	30/06/2015	31/12/2014
Net asset value per ordinary share based on existing issued share capital as at end of period reported on (US cents)	10.84	11.02	6.77	6.64

The Group's and the Company's net asset value per ordinary share have been computed based on the share capital of 510,620,200 (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 2Q FY2015 with 2Q FY2014

The Group reported an increase in revenue, which rose by 4.3% from US\$194.9 million to US\$203.3 million. Gross margin, at 6% for the quarter, was comparable with the gross margin at the same period last year. Other income earned was US\$96,000 compared to US\$513,000 in 2Q FY2014 due to the divestment of the non-core research and development division last year.

Total operating expenses amounted to US\$10.8 million compared to US\$10.1 million in the same quarter last year due largely to increased provisions for stocks and trade debtors that were included in other expenses. In 2Q FY2015, other expenses rose from US\$22,000 to US\$976,000. Interest expenses were higher, rising from US\$0.3 million to US\$0.4 million due to increased borrowings and rising market interest rate. Sales and distribution costs and general and administrative expenses were lower by 0.2% and 10.3% this quarter.

At the close of 2Q FY2015, the Group reported net profit after tax of US\$1.2 million compared to US\$1.9 million in 2Q FY2014.

Other comprehensive income for the quarter amounted to US\$0.13 million comprising a net gain on fair value changes of available-for-sale financial assets of US\$0.13 million and a foreign exchange currency translation loss of US\$8,000. Total comprehensive income attributable to equity holders of the Company was US\$1.3 million compared to US\$2.4 million in the same quarter last year.

Balance Sheet

Net assets as at 30 June 2015 was US\$55.3 million compared to US\$56.2 million at 31 December 2014. This was mainly due to:

- Decrease in property, plant and equipment from US\$2.3 million to US\$2.1 million, mainly due to depreciation.
- Increase in investment securities, which rose from US\$2.1 million to US\$2.4 million due to fair value changes.
- Increase in trade debtors, which rose from US\$115.4 million to US\$135.7 million due to higher sales. Average trade debtors turnover rose from 49 days in Q2 FY2014 to 56 days in 2Q FY2015.
- Increase in stocks, which rose from US\$93.1 million to US\$108.2 million. Stocks turnover rose from 41 days in 2Q FY2014 to 47 days in 2Q FY2015.
- Decrease in cash and short term assets, which decreased from US\$11.8 million to US\$10.3 million. This was due to increased working capital needs.
- Increase in trade creditors and accruals, which rose from US\$76.8 million to US\$106.7 million. Trade creditors turnover remained unchanged at 42 days.
- Increase in interest-bearing loans and borrowings from US\$81.0 million to US\$85.7 million. This was due to higher working capital requirements.
- Increase in provision for taxation, which rose from US\$2.0 million to US\$2.2 million.

SHAREHOLDERS' EQUITY

Shareholders' equity decreased from US\$56.2 million as of 31 Dec 2014 to US\$55.3 million at the close of the quarter mainly due to payment of dividends of US\$3.1 million, partially offset by increases for share capital and reserves of US\$2.2 million.

WORKING CAPITAL

Operating activities this quarter used approximately US\$3.3 million cash compared to US\$15.8 million in 2Q FY2014. This was mainly due to working capital used in operations arising from increases in stocks and trade debtors, partially offset by the increase in trade creditors.

Investing activities used US\$61,000, attributable to purchase of equipment, and financing activities generated net cash flows of US\$1.3 million, due to increase of interest-bearing loans and borrowings of US\$4.4 million less US\$3.1 million in dividends paid.

At the close of the quarter, the Group has approximately US\$10.3 million in cash and short-term deposits as compared to US\$8.8 million in the same quarter last financial year.

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.

Concerns over the potential interest rates hike in the second quarter further exacerbated the already cautious mood in the market and likewise, affected the outlook in the electronic industry. This being said, we expect demand from China to remain stable.

Despite the headwinds and the challenging environment, we will continue to explore ways to grow our business by expanding our product and services offerings. We are confident that we will be able to deliver a profitable third quarter, barring unforeseen circumstances.

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 2Q2015.

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 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 second quarter ended 30 June 2015 to be false or misleading.

BY ORDER OF THE BOARD

Wong Yoen Har
Company Secretary
29 July 2015