

First Quarter Financial Statement And Related Announcement for the Quarter Ended 31 March 2016

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 2016 AND 31 MARCH 2015**

Consolidated Income Statement

	Group 1Q2016	Group 1Q2015 (Restated)	Increase/ (Decrease)
	US\$'000	US\$'000	%
Revenue	205,709	177,834	15.7%
Cost of sales	(193,820)	(167,486)	15.7%
Gross profit	11,889	10,348	14.9%
Other income	103	53	94.3%
Sales and distribution costs	(6,811)	(5,615)	21.3%
General and administrative expenses	(3,635)	(3,394)	7.1%
Other expenses	32	(91)	N.M
Interest expense	(503)	(410)	22.7%
Profit before taxation	1,075	891	20.7%
Income tax expense	(228)	(205)	11.2%
Profit after taxation	847	686	23.5%
Profit attributable to:			
Equity holders of the Company	847	686	23.5%

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 2016 AND 31 MARCH 2015 (CONT'D)

Consolidated Statement of Other Comprehensive Income

	Group 1Q2016	Group 1Q2015 (Restated)	Increase/ (Decrease)
	US\$'000	US\$'000	%
Profit after taxation	847	686	23.5%
Other comprehensive income			
Foreign currency translation	1	1	-
Net gain on fair value changes of available-for-sale financial assets	207	115	80.0%
Other comprehensive income for the period	208	116	79.3%
Total comprehensive income for the period	1,055	802	31.5%
Total comprehensive income attributable to:			
Equity holders of the Company	1,055	802	31.5%
	1,055	802	31.5%

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

Notes to the consolidated income and statement of comprehensive income	Group 1Q2016	Group 1Q2015
	US\$'000	US\$'000
Interest income	7	11
Interest on borrowings	(503)	(410)
Allowance for doubtful trade debts written back	49	5
Allowance for doubtful trade debts	(17)	(95)
Reversal of stocks written down	687	722
Stocks written down/ off	(461)	(935)
Depreciation of property, plant and equipment	(188)	(211)
Net foreign exchange gain/ (loss)	108	(98)
Net fair value loss on financial instruments	-	(11)

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 31/03/2016	Group 31/12/2015	Company 31/03/2016	Company 31/12/2015
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current assets				
Property, plant and equipment	1,844	1,870	-	-
Intangible assets	326	326	-	-
Investments in subsidiaries	-	-	13,049	13,049
Investment securities	1,963	1,756	1,963	1,756
Deferred tax assets	43	30	-	-
Current assets				
Trade debtors	129,626	135,238	7	5
Other debtors	1,008	891	-	-
Prepayments	303	295	20	2
Stocks	99,350	111,613	-	-
Amounts due from subsidiaries	-	-	19,048	18,759
Cash and short term deposits	11,147	10,724	716	881
Total current assets	241,434	258,761	19,791	19,647
Current liabilities				
Trade creditors and accruals	(92,332)	(93,088)	(597)	(449)
Other creditors	(10,525)	(10,235)	(1)	(24)
Interest-bearing loans and borrowings	(81,276)	(99,445)	-	-
Amounts due to subsidiaries	-	-	-	(78)
Provision for taxation	(3,227)	(2,792)	(49)	(14)
Total current liabilities	(187,360)	(205,560)	(647)	(565)
Net current assets	54,074	53,201	19,144	19,082
Net assets	58,250	57,183	34,156	33,887
Equity attributable to equity holders of the Company				
Share capital	32,422	32,410	32,422	32,410
Reserves	25,828	24,773	1,734	1,477
	58,250	57,183	34,156	33,887

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

Amount repayable in one year or less, or on demand

At 31/03/2016 (US\$'000)		At 31/12/2015 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
-	81,276	-	99,445

Amount repayable after one year, or on demand

At 31/03/2016 (US\$'000)		At 31/12/2015 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

The Group's borrowings as at 31 March 2016 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 1Q2016	Group 1Q2015
	US\$'000	US\$'000
Operating activities		
Profit before taxation	1,075	891
Adjustments for:-		
Interest income	(7)	(11)
Interest expense	503	410
Depreciation of property, plant and equipment	188	211
Share based payments under EPSS	12	-
Fair value loss on financial instrument	-	11
Operating cash flows before changes in working capital	1,771	1,512
Decrease in stocks	12,263	4,812
Decrease in trade debtors, other debtors and prepayments	5,487	930
Decrease in trade creditors, accruals and other creditors	(466)	(6,495)
Cash flows generated from operations	19,055	759
Interest received	7	11
Interest paid	(503)	(410)
Income tax refund/ (paid)	194	(167)
Net cash flows generated from operating activities	18,753	193
Investing activities		
Purchase of property, plant and equipment	(162)	(121)
Net cash flows used in investing activities	(162)	(121)
Financing activities		
(Decrease)/ increase in interest-bearing loans and borrowings	(18,169)	373
Net cash flows (used in)/ generated from financing activities	(18,169)	373
Net increase in cash and short-term deposits	422	445
Effects of exchange rate changes on cash and short-term deposits	1	1
Cash and short-term deposits at beginning of period	10,724	11,847
Cash and short-term deposits at end of period	11,147	12,293

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.

1Q2016									
Attributable to equity holders of the Company									
Group	Equity, total	Share capital	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 2016	57,183	32,410	24,773	227	263	25	(1,196)	25,454	
Profit for the period	847	-	847	-	-	-	-	847	
Other comprehensive income									
Items that may be classified subsequently to profit/ loss:									
Foreign currency translation	1	-	1	-	-	-	1	-	
Net gain on fair value changes of available-for-sale financial assets	207	-	207	-	207	-	-	-	
Other comprehensive income for the period	208	-	208	-	207	-	1	-	
Total comprehensive income for the period	1,055	-	1,055	-	207	-	1	847	
Contribution by and distribution to owners									
Issuance of new shares	12	12	-	-	-	-	-	-	
Closing balance at 31 March 2016	58,250	32,422	25,828	227	470	25	(1,195)	26,301	

1Q2015									
Attributable to equity holders of the Company									
Group	Equity, total	Share capital	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	
Other comprehensive income									
Items that may be classified subsequently to profit/ loss:									
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	

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).

1Q2016						
Attributable to equity holders of the Company						
Company	Equity, total US\$'000	Share capital US\$'000	Reserves, total US\$'000	Other reserve US\$'000	Fair value reserve US\$'000	Revenue reserve US\$'000
Opening balance at 1 January 2016	33,887	32,410	1,477	227	263	987
Profit for the period	50	-	50	-	-	50
Other comprehensive income						
Items that may be classified subsequently to profit/ loss:						
Net gain on fair value changes of available-for-sale financial assets	207	-	207	-	207	-
Total comprehensive income for the period	257	-	257	-	207	50
Contribution by and distribution to owners						
Issuance of new shares	12	12	-	-	-	-
Closing balance at 31 March 2016	34,156	32,422	1,734	227	470	1,037

1Q2015						
Attributable to equity holders of the Company						
Company	Equity, total US\$'000	Share capital 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
Other comprehensive income						
Items that may be classified subsequently to profit/ loss:						
Net gain on fair value changes of available-for-sale financial assets	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

- 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.**

	1Q2016		1Q2015	
	No. of shares	US\$'000	No. of shares	US\$'000
<u>Issued share capital</u>				
At beginning of financial year	102,423,440	32,410	510,022,200	32,294
Issuance of EPSS	60,000	12	-	-
At end of financial period	102,483,440	32,422	510,022,200	32,294

Grant of Share Awards Pursuant to the Excelpoint Performance Share Scheme ("EPSS")

In February 2016, the Company issued and allotted 60,000 ordinary shares in the share capital of the Company at the Market Price of US\$0.20 (S\$0.28) under the Excelpoint Performance Share Scheme.

Changes in Company's Share Capital

On 11 August 2015, the Company completed the consolidation of every five existing issued shares in the capital of the Company into one ordinary share in the capital of the Company. As a result of the exercise, the total issued share capital of the Company comprises 102,124,040 consolidated shares.

- 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 2016 is 102,483,440* (31 March 2015: 510,022,200).

* On 11 August 2015, the Company completed the consolidation of every five existing issued shares in the capital of the Company into one ordinary share in the capital of the Company.

- 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's accounting policies adopted are consistent with those disclosed in the 2015 audited financial statements, except for the stock provisioning policy.

Hence, the comparative stock provision amount in the consolidated income statement has been reclassified from "Other expenses" to "Cost of sales" to conform to the current year's presentation.

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.**

There are no material changes.

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	
	1Q2016	1Q2015*
Based on weighted average number of ordinary shares (US cent)	0.83	0.67
On a fully diluted basis (US cent)	N.A.	N.A.

Earnings per share excluding treasury shares for 1Q2016 computed based on weighted average number of ordinary shares of 102,453,770 (1Q2015: 102,004,440*).

*On 11 August 2015, the Company completed the consolidation of every five existing issued shares in the capital of the Company into one ordinary share in the capital of the Company. The weighted average number of ordinary shares used for the calculation of earnings per share for the comparatives has been adjusted for the effect of the share consolidation.

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	
	31/03/2016	31/12/2015	31/03/2016	31/12/2015
Net asset value per ordinary share based on existing issued share capital as at end of period reported on (US cents)	56.84	55.83	33.33	33.09

The Group's and the Company's net asset value per ordinary share have been computed based on the share capital of 102,483,440 (31 December 2015:102,423,440) 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 1Q2016 to 1Q2015

The Group reported a 15.7% rise in revenue which rose from US\$177.8 million (1Q2015) to US\$205.7 million (1Q2016). The increase in revenue was attributable to higher sales contribution from Hong Kong and Singapore business segments. The Group's gross profit margin in 1Q2016 remained at 5.8% which is the same as the last preceding quarter.

Other income increased from US\$53,000 (1Q2015) to US\$0.1 million (1Q2016) mainly due to Wage Credit Scheme in Singapore.

Total operating expenses rose from US\$9.5 million to US\$10.9 million. This quarter, sales and distribution expenses were higher by 21.3%, rising from US\$5.6 million to US\$6.8 million. General and administrative expenses were increased by 7.1% (1Q2016: US\$3.6 million; 1Q2015: US\$3.4 million).

Other expenses were positive this quarter mainly due to write back of trade debts. Interest expenses this quarter were higher by 22.7% due mainly to higher interest rates (1Q2016: US\$0.5 million; 1Q2015: US\$0.4 million).

The net profit after tax this quarter totalled US\$0.8 million, which represented a 23.5% increase over the net profit after tax of US\$0.7 million reported in the same quarter in the previous financial year.

Operating activities this quarter generated net cash surplus of US\$18.8 million as compared to US\$0.2 million in 1Q2015.

This was mainly due to the following:

- | | |
|---|---------------------|
| • Profit before taxation | : US\$ 1.1 million |
| • Decrease in stocks | : US\$ 12.3 million |
| • Decrease in trade debtors, other debtors and prepayments | : US\$ 5.5 million |
| • Decrease in trade creditors, accruals and other creditors | : US\$ 0.5 million |
| • Net interest paid | : US\$ 0.5 million |
| • Income tax refund | : US\$ 0.2 million |

Comprehensive gain for the period, arising mainly from the net gain from fair value changes of available-for-sale financial assets, was US\$0.2 million compared to the comprehensive gain of US\$0.1 million in the first quarter of FY2015. At the close of the quarter, total comprehensive income for the period was US\$1.1 million, compared to US\$0.8 million in 1Q2015.

Balance Sheet

Net current assets rose from US\$53.2 million to US\$54.1 million due to:-

- Decrease in trade debtors which declined from US\$135.2 million to US\$129.6 million
- Lower stocks balance which decreased from US\$111.6 million to US\$99.4 million.
- Increase in cash and short term deposits which rose from US\$10.7 million to US\$11.1 million.

Net assets rose from US\$57.2 million to US\$58.3 million due to:-

- Decrease in trade creditors and accruals which declined from US\$93.1 million to US\$92.3 million.
- Increase in other creditors which rose from US\$10.2 million to 10.5 million.
- Decrease in interest-bearing loans which declined from US\$99.4 million to US\$81.3 million.

SHAREHOLDERS' EQUITY

Shareholders' Equity has increased by US\$1.1 million from US\$57.2 million (1Q2015) to US\$58.3 million (1Q2016). The increase comprised of issuance of Excelpoint Performance share scheme of US\$12,000 and also increase in reserves in 1Q2016.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

N.A.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.**

The Group has done well for the first quarter despite the challenges posed by the global economic uncertainties. This quarter, our revenue rose by 15.7% to US\$205.7 mil and our net profit after tax was higher by 23.5%.

Into the second quarter, our Hong Kong and China units expect to see more growth, deriving contributions from their focus segments like Wireless Audio and Headset, Instrumentation & Industrial, LED Lightings as well as from the new product lines that have come on board. With China's continued efforts to roll out its 'Made in China 2025' initiatives to transform China into a world manufacturing power, we foresee continued growth in this region.

The South East Asian business remains challenging due to political uncertainties, causing delays in projects. In India, the Government's targeted programs and initiatives in areas of green energy and infrastructure development are in progress and the local demand will continue to contribute to our growth going forward.

Overall, challenges that we have seen in the first quarter of this year will remain but we expect that the Group will continue to operate profitably.

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 1Q2016.

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 2016 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 2016 to be false or misleading.

15. **Confirmation Pursuant to Rule 720(1) of the Listing Manual**

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Wong Yoen Har
Company Secretary
4 May 2016