

Second Quarter Financial Statement And Related Announcement for the Quarter Ended 30 June 2016

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 2016 AND 30 JUNE 2015**

Consolidated Income Statement

| | Group 2Q2016 | Group 2Q2015 (Restated) | Increase/ (Decrease) | Group HY2016 | Group HY2015 (Restated) | Increase/ (Decrease) |
|-------------------------------------|-----------------|-------------------------------|-------------------------|-----------------|-------------------------------|-------------------------|
| | US\$'000 | US\$'000 | % | US\$'000 | US\$'000 | % |
| Revenue | 234,542 | 203,297 | 15.4% | 440,251 | 381,131 | 15.5% |
| Cost of sales | (221,237) | (191,855) | 15.3% | (415,057) | (359,341) | 15.5% |
| Gross profit | 13,305 | 11,442 | 16.3% | 25,194 | 21,790 | 15.6% |
| Other income | 42 | 96 | (56.3%) | 145 | 149 | (2.7%) |
| Sales and distribution costs | (7,173) | (5,925) | 21.1% | (13,984) | (11,540) | 21.2% |
| General and administrative expenses | (4,082) | (3,467) | 17.7% | (7,717) | (6,861) | 12.5% |
| Other expenses | (10) | (281) | (96.4%) | 22 | (372) | N.M |
| Interest expense | (512) | (387) | 32.3% | (1,015) | (797) | 27.4% |
| Profit before taxation | 1,570 | 1,478 | 6.2% | 2,645 | 2,369 | 11.7% |
| Income tax expense | (348) | (269) | 29.4% | (576) | (474) | 21.5% |
| Profit after taxation | 1,222 | 1,209 | 1.1% | 2,069 | 1,895 | 9.2% |

| | | | | | | |
|--------------------------------|-------|-------|------|-------|-------|------|
| Profit attributable to: | | | | | | |
| Equity holders of the Company | 1,222 | 1,209 | 1.1% | 2,069 | 1,895 | 9.2% |

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 2016 AND 30 JUNE 2015 (CONT'D)

Consolidated Statement of Other Comprehensive Income

| | Group 2Q2016 | Group 2Q2015 (Restated) | Increase/ (Decrease) | Group HY2016 | Group HY2015 (Restated) | Increase/ (Decrease) |
|---|-----------------|-------------------------------|-------------------------|-----------------|-------------------------------|-------------------------|
| | US\$'000 | US\$'000 | % | US\$'000 | US\$'000 | % |
| Profit after taxation | 1,222 | 1,209 | 1.1% | 2,069 | 1,895 | 9.2% |
| Other comprehensive income: Items that may be reclassified subsequently to profit or loss: | | | | | | |
| Foreign currency translation | (6) | (8) | (25.0%) | (5) | (7) | (28.6%) |
| Net (loss)/ gain on fair value changes of available-for-sale financial assets | (75) | 135 | N.M | 132 | 250 | (47.2%) |
| Other comprehensive (loss)/ income for the quarter/ half year | (81) | 127 | N.M | 127 | 243 | (47.7%) |
| Total comprehensive income for the quarter/ half year | 1,141 | 1,336 | (14.6%) | 2,196 | 2,138 | 2.7% |
| Total comprehensive income attributable to: | | | | | | |
| Equity holders of the Company | 1,141 | 1,336 | (14.6%) | 2,196 | 2,138 | 2.7% |
| | 1,141 | 1,336 | (14.6%) | 2,196 | 2,138 | 2.7% |

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

| Notes to the consolidated statement of comprehensive income | 2Q2016 | 2Q2015 | HY2016 | HY2015 |
|---|----------|----------|----------|----------|
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Interest income | 7 | 8 | 14 | 19 |
| Interest on borrowings | (512) | (387) | (1,015) | (797) |
| Allowance for doubtful trade debts written back | 54 | 88 | 103 | 93 |
| Allowance for doubtful trade debts | (64) | (336) | (81) | (431) |
| Bad debts written off | - | (33) | - | (33) |
| Reversal of stocks written down | 668 | 1,271 | 1,355 | 1,993 |
| Stocks written down/ off | (750) | (1,966) | (1,211) | (2,901) |
| Loss on disposal of property, plant and equipment | (4) | - | (4) | - |
| Depreciation of property, plant and equipment | (187) | (214) | (375) | (425) |
| Net foreign exchange loss | (646) | (27) | (538) | (125) |
| Net fair value loss on financial instruments | - | (9) | - | (20) |

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 30/06/2016 | Group 31/12/2015 | Company 30/06/2016 | Company 31/12/2015 |
|---|---------------------|---------------------|-----------------------|-----------------------|
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Non-current assets | | | | |
| Property, plant and equipment | 1,738 | 1,870 | - | - |
| Intangible assets | 326 | 326 | - | - |
| Investments in subsidiaries | - | - | 13,049 | 13,049 |
| Investment securities | 1,888 | 1,756 | 1,888 | 1,756 |
| Deferred tax assets | 22 | 30 | - | - |
| Current assets | | | | |
| Trade debtors | 149,274 | 135,238 | 9 | 5 |
| Other debtors | 1,271 | 891 | - | - |
| Prepayments | 669 | 295 | 7 | 2 |
| Stocks | 112,538 | 111,613 | - | - |
| Amounts due from subsidiaries | - | - | 19,511 | 18,759 |
| Cash and short term deposits | 11,244 | 10,724 | 290 | 881 |
| Total current assets | 274,996 | 258,761 | 19,817 | 19,647 |
| Current liabilities | | | | |
| Trade creditors and accruals | (101,741) | (93,088) | (632) | (449) |
| Other creditors | (10,504) | (10,235) | (1) | (24) |
| Interest-bearing loans and borrowings | (105,803) | (99,445) | - | - |
| Amounts due to subsidiaries | - | - | - | (78) |
| Provision for taxation | (3,437) | (2,792) | (69) | (14) |
| Total current liabilities | (221,485) | (205,560) | (702) | (565) |
| Net current assets | 53,511 | 53,201 | 19,115 | 19,082 |
| Net assets | 57,485 | 57,183 | 34,052 | 33,887 |
| Equity attributable to equity holders of the Company | | | | |
| Share capital | 32,422 | 32,410 | 32,422 | 32,410 |
| Reserves | 25,063 | 24,773 | 1,630 | 1,477 |
| | 57,485 | 57,183 | 34,052 | 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 30/06/2016 (US\$'000) | | At 31/12/2015 (US\$'000) | |
|---------------------------------|-----------|---------------------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| - | 105,803 | - | 99,445 |

Amount repayable after one year, or on demand

| At 30/06/2016 (US\$'000) | | At 31/12/2015 (US\$'000) | |
|---------------------------------|-----------|---------------------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| - | - | - | - |

Details of any collateral

The Group's borrowings as at 30 June 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 2Q2016 | Group 2Q2015 | Group HY2016 | Group HY2015 |
|--|-----------------|-----------------|-----------------|-----------------|
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| | | | | |
| | | | | |
| Operating activities | | | | |
| Profit before taxation | 1,570 | 1,478 | 2,645 | 2,369 |
| Adjustments for:- | | | | |
| Interest income | (7) | (8) | (14) | (19) |
| Interest expense | 512 | 387 | 1,015 | 797 |
| Depreciation of property, plant and equipment | 187 | 214 | 375 | 425 |
| Loss on disposal of property, plant and equipment | 4 | - | 4 | - |
| Fair value loss on financial instruments | - | 9 | - | 20 |
| Share based payments under EPSS | - | - | 12 | - |
| Operating cash flows before changes in working capital | 2,266 | 2,080 | 4,037 | 3,592 |
| Increase in stocks | (13,188) | (19,982) | (925) | (15,170) |
| Increase in trade debtors, other debtors and prepayments | (20,277) | (21,115) | (14,790) | (20,185) |
| Increase/(decrease) in trade creditors, accruals and other creditors | 9,388 | 36,193 | 8,922 | 29,698 |
| Cash flows used in operations | (21,811) | (2,824) | (2,756) | (2,065) |
| Interest received | 7 | 8 | 14 | 19 |
| Interest paid | (512) | (387) | (1,015) | (797) |
| Income tax (paid)/ refund | (117) | (62) | 77 | (229) |
| Net cash flows used in operating activities | (22,433) | (3,265) | (3,680) | (3,072) |
| | | | | |
| Investing activities | | | | |
| Purchase of property, plant and equipment | (189) | (61) | (351) | (182) |
| Proceeds on disposal of property, plant and equipment | 104 | - | 104 | - |
| Net cash flows used in investing activities | (85) | (61) | (247) | (182) |
| | | | | |
| Financing activities | | | | |
| Increase in interest-bearing loans and borrowings | 24,527 | 4,381 | 6,358 | 4,754 |
| Dividend paid on ordinary shares | (1,906) | (3,081) | (1,906) | (3,081) |
| Net cash flows generated from financing activities | 22,621 | 1,300 | 4,452 | 1,673 |
| | | | | |
| Net increase/ (decrease) in cash and short-term deposits | 103 | (2,026) | 525 | (1,581) |
| Effects of exchange rate changes on cash and short-term deposits | (6) | (8) | (5) | (7) |
| Cash and short-term deposits at beginning of period | 11,147 | 12,293 | 10,724 | 11,847 |
| Cash and short-term deposits at end of period | 11,244 | 10,259 | 11,244 | 10,259 |

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.

| HY2016 | | | | | | | | |
|---|---------------------------|---------------------------|-----------------------------|---------------------------|--------------------------------|-------------------------------|--|-----------------------------|
| Attributable to equity holders of the Company | | | | | | | | |
| Group | Equity, total US\$'00 | Share capital 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 |
| | 0 | | | | | | | |
| Opening balance at 1 January 2016 | 57,183 | 32,410 | 24,773 | 227 | 263 | 25 | (1,196) | 25,454 |
| Profit for the period | 2,069 | - | 2,069 | - | - | - | - | 2,069 |
| Other comprehensive income: | | | | | | | | |
| 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 | 132 | - | 132 | - | 132 | - | - | - |
| Other comprehensive income for the period | 127 | - | 127 | - | 132 | - | (5) | - |
| Total comprehensive income for the period | 2,196 | - | 2,196 | - | 132 | - | (5) | 2,069 |
| Contribution by and distribution to owners | | | | | | | | |
| Issuance of new shares | 12 | 12 | - | - | - | - | - | - |
| Dividends on ordinary shares | (1,906) | - | (1,906) | - | - | - | - | (1,906) |
| Closing balance at 30 June 2016 | 57,485 | 32,422 | 25,063 | 227 | 395 | 25 | (1,201) | 25,617 |
| HY2015 | | | | | | | | |
| Attributable to equity holders of the Company | | | | | | | | |
| Group | Equity, total US\$'000 | Share capital 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 |

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)

| 2Q2016 | | | | | | | | |
|---|------------------------------|------------------------------|--------------------------------|------------------------------|-----------------------------------|----------------------------------|---|--------------------------------|
| Attributable to equity holders of the Company | | | | | | | | |
| Group | Equity, total US\$'000 | Share capital 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 2016 | 58,250 | 32,422 | 25,828 | 227 | 470 | 25 | (1,195) | 26,301 |
| Profit for the period | 1,222 | - | 1,222 | - | - | - | - | 1,222 |
| Other comprehensive income | | | | | | | | |
| Items that may be classified subsequently to profit/ loss: | | | | | | | | |
| Foreign currency translation | (6) | - | (6) | - | - | - | (6) | - |
| Net gain on fair value changes of available-for-sale financial assets | (75) | - | (75) | - | (75) | - | - | - |
| Other comprehensive income for the period | (81) | - | (81) | - | (75) | - | (6) | - |
| Total comprehensive income for the period | 1,141 | - | 1,141 | - | (75) | - | (6) | 1,222 |
| Contribution by and distribution to owners | | | | | | | | |
| Dividends on ordinary shares | (1,906) | - | (1,906) | - | - | - | - | (1,906) |
| Closing balance at 30 June 2016 | 57,485 | 32,422 | 25,063 | 227 | 395 | 25 | (1,201) | 25,617 |
| 2Q2015 | | | | | | | | |
| Attributable to equity holders of the Company | | | | | | | | |
| Group | Equity, total US\$'000 | Share capital 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 classified subsequently to profit/ 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 |

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).

| HY2016 | | | | | | |
|---|---------------------------------------|---------------------------------------|---|---------------------------------------|--|---|
| 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 | 1,927 | - | 1,927 | - | - | 1,927 |
| <u>Other comprehensive income</u> | | | | | | |
| Items that may be classified subsequently to profit/ loss: | | | | | | |
| Net gain on fair value changes of available-for-sale financial assets | 132 | - | 132 | - | 132 | - |
| Other comprehensive income for the period | 132 | - | 132 | - | 132 | - |
| Total comprehensive income for the period | 2,059 | - | 2,059 | - | 132 | 1,927 |
| <u>Contribution by and distribution to owners</u> | | | | | | |
| Issuance of new shares | 12 | 12 | - | - | - | - |
| Dividends on ordinary shares | (1,906) | - | (1,906) | - | - | (1,906) |
| Closing balance at 30 June 2016 | 34,052 | 32,422 | 1,630 | 227 | 395 | 1,008 |
| HY2015 | | | | | | |
| 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 | 3,502 | - | 3,502 | - | - | 3,502 |
| <u>Other comprehensive income</u> | | | | | | |
| Items that may be classified subsequently to profit/ 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 |
| <u>Contribution by and distribution to owners</u> | | | | | | |
| 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 |

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).

| 2Q2016 | | | | | | |
|---|---------------------------------------|---------------------------------------|---|---------------------------------------|--|---|
| 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 April 2016 | 34,156 | 32,422 | 1,734 | 227 | 470 | 1,037 |
| Profit for the period | 1,877 | - | 1,877 | - | - | 1,877 |
| <u>Other comprehensive income</u> | | | | | | |
| Items that may be classified subsequently to profit/ loss: | | | | | | |
| Net loss on fair value changes of available-for-sale financial assets | (75) | - | (75) | - | (75) | - |
| Other comprehensive income for the period | (75) | - | (75) | - | (75) | - |
| Total comprehensive income for the period | 1,802 | - | 1,802 | - | (75) | 1,877 |
| <u>Contribution by and distribution to owners</u> | | | | | | |
| Dividends on ordinary shares | (1,906) | - | (1,906) | - | - | (1,906) |
| Closing balance at 30 June 2016 | 34,052 | 32,422 | 1,630 | 227 | 395 | 1,008 |

| 2Q2015 | | | | | | |
|---|---------------------------------------|---------------------------------------|---|---------------------------------------|--|---|
| 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 April 2015 | 33,997 | 32,294 | 1,703 | 227 | 792 | 684 |
| Profit for the period | 3,475 | - | 3,475 | - | - | 3,475 |
| <u>Other comprehensive income</u> | | | | | | |
| Items that may be classified subsequently to profit/ 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 |
| <u>Contribution by and distribution to owners</u> | | | | | | |
| 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 |

- 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.

| | 2Q2016 | | 2Q2015 | |
|------------------------------------|---------------|----------|---------------|----------|
| | No. of shares | US\$'000 | No. of shares | US\$'000 |
| <u>Issued share capital</u> | | | | |
| At beginning of financial period | 102,483,440 | 32,422 | 510,022,200 | 32,294 |
| Issuance of EPSS | - | - | 598,000 | 46 |
| At end of financial period | 102,483,440 | 32,422 | 510,620,200 | 32,340 |

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

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 EPSS.

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 30 June 2016 is 102,483,440* (30 June 2015: 510,620,200).

* 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 change in estimates within the stock provisioning policy.

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 | |
|---|--------|---------|
| | 2Q2016 | 2Q2015* |
| Based on weighted average number of ordinary shares (US cent) | 1.19 | 1.18 |
| On a fully diluted basis (US cent) | N.A. | N.A. |

Earnings per share excluding treasury shares for 2Q2016 computed based on weighted average number of ordinary shares of 102,483,440 (2Q2015: 102,071,469*).

*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 | |
|--|------------|------------|------------|------------|
| | 30/06/2016 | 31/12/2015 | 30/06/2016 | 31/12/2015 |
| Net asset value per ordinary share based on existing issued share capital as at end of period reported on (US cents) | 56.09 | 55.83 | 33.23 | 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 2Q2016 to 2Q2015

The Group's revenue increased by 15.4% from US\$203.3 million to US\$234.5 million mainly due to higher sales from the Hong Kong and Singapore business units. Gross profit margin remained constant at 5.7%.

Other income decreased by 56.3% from US\$96,000 to US\$42,000 mainly due to the decrease in interest income and sundry income.

Sales and distribution costs increased by 21.1% from US\$5.9 million to US\$7.2 million, and general and administrative expenses increased by 17.7% from US\$3.5 million to US\$4.1 million. These were mainly due to net foreign exchange loss arising from the translation of balances denominated in foreign currency into functional currency and higher staff costs.

Other expenses decreased by 96.4% from US\$281,000 to US\$10,000 mainly due to lower allowance for doubtful trade debts.

Interest expense increased by 32.3% from US\$0.4 million to US\$0.5 million mainly due to higher borrowings arising from the increase in working capital needs.

Overall, the Group reported an increase in profit after taxation by 1.1% from US\$1.21 million to US\$1.22 million.

FINANCIAL POSITION AND CASHFLOW

During the quarter, the Group's net cash flows used in operating activities was US\$22.4 million compared to US\$3.3 million in 2Q2015, mainly due to increase in the requirement for working capital by US\$21.8 million.

The Group's trade debtors increased from US\$135.2 million to US\$149.3 million as at 30 June 2016, which was in line with the increase in sales. Stock increased from US\$111.6 million to US\$112.5 million as at 30 June 2016.

Trade creditors and accruals increased from US\$93.1 million to US\$101.7 million as at 30 June 2016 due to the higher purchase of stock.

Interest-bearing loans and borrowings increased from US\$99.4 million to US\$105.8 million as at 30 June 2016 to fund the working capital requirements.

The Group's cash and short term deposits was US\$11.2 million as at 30 June 2016 as compared to US\$10.7 million as at 31 December 2015.

Overall, shareholders' equity increased to US\$57.5 million from US\$57.2 million as at 31 December 2015, mainly due to the profit for the period of US\$2.0 million and net gain on fair value changes of available-for-sale financial assets of US\$0.1 million during 1H2016. This was offset by the payment of dividends of US\$1.9 million during 1H2016.

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 prevailing market headwinds, the Group achieved stable growth in the second quarter.

Growth from our China region remained stable, with domestic demands coming from the Government's push for infrastructure development and investments in the research and development area. Going forward, we see potential growth within the region from new applications such as Bluetooth Sports headsets, Unmanned Aerial Vehicles (UAV) and Ultra-Violet (UV) LED for sterilisation devices.

Business sentiments remain challenging in the South East Asian region due to ongoing political reforms and changes. However, we see opportunities in segments such as E-meter, LED Lighting, and e-

Government Projects. In addition, we are entering into new markets such as Sri Lanka and Bangladesh, where we see interesting opportunities.

Strategically, the Group is exploring collaborations with key business partners and seeking new product lines to further strengthen our position in the market. Overall, the Group remains cautiously optimistic and will continue to pursue improvements in productivity and efficiencies, while executing plans and strategies to grow the business.

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 2Q2016.

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 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 second quarter ended 30 June 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
3 August 2016