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PRESS RELEASE

ACTION ASIA RETURNED TO THE BLACK IN 2Q2014

- ***For 1H14, the Group trimmed its losses by more than 55% to S$1.6 million from S$3.6 million in 1H13***
- ***Group bought back 500,000 shares from the open market in 2Q14***

SINGAPORE, 14 August, 2014 – SGX-MAINBOARD-LISTED Action Asia Limited ("Action Asia" or the "Group"), designer, manufacturer and assembler of video and audio mobile entertainment products, has returned to the black with improved revenue of S$28.33 million for the second quarter of financial year 2014("2Q14").

The revenue was 17.04% higher compared to 2Q13, mainly due to higher orders for the Group's new tablet products in 2Q14.

The Group's other operating income increased from S$451,000 in 2Q13 to S$797,000 in 2Q14 mainly due to higherincome from its warehousing and logistic center in Jiading, Shanghai after completion of its second phase construction.

As a result, the Group achieved a net profit of S$252,000 for 2Q14, reversing a net loss of S$2.43 million during 2Q13.

On the half-yearly basis, the Group's revenue for the six months ended June 30, 2014 ("1H14") increased marginally by 1.16% to S$49.55 million, compared to S$48.98 million in 1H13.

The Group's net loss for 1H14 was trimmed to S$1.61 million compared to a net loss of S$3.60 million in 1H13. This was also helped by the increase in other operating income which included the sale of a property in Singapore, netting a gain of S$653,000.

Employees' compensation for 1H14 increased by 12.77% with the recruitment of more sales and marketing staff to push up the Group's sales in China.

While depreciation for 1H14 decreased by 21.16% as certain property, plant and equipment have been fully depreciated, finance expenses went up due to higher interest costs to finance building construction of a factory in Jiading, Shanghai.

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Financial Position

Group borrowings were reduced from S$44.61 million as at December 31, 2013 to S$27.34 million as at June 30, 2014 mainly due to repayment of trade financing upon maturity.

The Group's cash and cash equivalent (including bank deposits pledged) dropped to S$29.40 million as at June 30, 2014, from S$51.15 million as at December 31, 2013. This was mainly due to the change in working capital and purchase of key materials in anticipation of an increase in production of finished products in the next quarter.

Group Earning Per Share was 0.04 cent in 2Q14, compared to Loss Per Share of 0.51 cent in 2Q13. Group Loss Per Share in 1H14 was 0.36 cent compared to 0.86 Loss Per Share in 1H13.

The Net Asset Value (NAV) eased to 21.50 cents on June 30, 2014, from 22.55 cents on December 31, 2013.

On the Group's results, Chairman Li Yuan-Chen @ Jack Li said: "The Group's efforts to drive the sales of new products have produced some good results as the Group returned to the black with a small profit in 2Q14.

"With the recent mini- stimulus measures - expanding credit and accelerating government spending - China's second-quarter GDP growth has increased slightly to 7.5% year on year against 7.4% in the first quarter.

"In the coming months, the Group will strengthen its marketing and sales team to drive the sales for the new products. We will also continue our R&D efforts to improve existing products and design new products, especially the portable products with high demand.

"In order to express our appreciation for shareholders' support all along, the Group has bought back 500,000 shares, representing about 0.125% of total issued shares, from the open market in 2Q14.

"In view of the business conditions and economic risks in China and globally, we remain cautiously optimistic over the Group's outlook for the year."

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About Action Asia Limited

Founded in 1987 and listed on the SGX-Mainboard on 15 January, 2004, Action Asia is a subsidiary of Action Electronics Co., Ltd, a listed company on the Taiwan Stock Exchange. The Group designs, manufactures and assembles video and audio mobile electronics products, and its competitive strength lies in integrating components and enabling its finished products to perform multiple functions.

With key global markets such as United States, Latin America, Europe, China, India, Japan, ASEAN and Australia, Action Asia's portable electronics products such as multifunction digital video players and digital photo frames are used mainly in homes, hospitals and outdoors, while its mobile electronics and video products are installed mainly in automobiles and commercial vehicles.

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