

Third Quarter Financial Statement And Related Announcement for the Quarter Ended 30 September 2017

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF Q3 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 SEPTEMBER 2017 AND 30 SEPTEMBER 2016**

**Consolidated Income Statement**

	Group 3Q2017	Group 3Q2016	Increase/ (Decrease)	Group YTD Sep 2017	Group YTD Sep 2016	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	312,641	297,769	5.0%	848,870	738,020	15.0%
Cost of sales	(295,553)	(282,602)	4.6%	(805,040)	(697,659)	15.4%
<b>Gross profit</b>	<b>17,088</b>	<b>15,167</b>	<b>12.7%</b>	<b>43,830</b>	<b>40,361</b>	<b>8.6%</b>
Other income	224	194	15.5%	377	339	11.2%
Sales and distribution costs	(7,583)	(7,922)	(4.3%)	(20,669)	(21,906)	(5.6%)
General and administrative expenses	(5,307)	(4,215)	25.9%	(12,103)	(11,932)	1.4%
Other expenses	(42)	345	N.M	(1,799)	367	N.M.
Interest expense	(1,158)	(681)	70.0%	(2,944)	(1,696)	73.6%
<b>Profit before taxation</b>	<b>3,222</b>	<b>2,888</b>	<b>11.6%</b>	<b>6,692</b>	<b>5,533</b>	<b>20.9%</b>
Income tax expense	(699)	(458)	52.6%	(1,407)	(1,034)	36.1%
<b>Profit after taxation</b>	<b>2,523</b>	<b>2,430</b>	<b>3.8%</b>	<b>5,285</b>	<b>4,499</b>	<b>17.5%</b>

<b>Profit attributable to:</b>						
Equity holders of the Company	2,523	2,430	3.8%	5,285	4,499	17.5%

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 30 SEPTEMBER 2017 AND 30 SEPTEMBER 2016 (CONT'D)

**Consolidated Statement of Other Comprehensive Income**

	Group 3Q2017	Group 3Q2016	Increase/ (Decrease)	Group YTD Sep 2017	Group YTD Sep 2016	Increase/ (Decrease)
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
<b>Profit after taxation</b>	<b>2,523</b>	<b>2,430</b>	<b>3.8%</b>	<b>5,285</b>	<b>4,499</b>	<b>17.5%</b>
<b>Other comprehensive income</b>						
Foreign currency translation	2	(3)	N.M	23	(8)	N.M
Net gain/ (loss) on fair value changes of available-for-sale financial assets	71	(70)	N.M	574	62	825.8%
<b>Other comprehensive income for the period</b>	<b>73</b>	<b>(73)</b>	<b>N.M</b>	<b>597</b>	<b>54</b>	<b>1005.6%</b>
<b>Total comprehensive income for the period</b>	<b>2,596</b>	<b>2,357</b>	<b>10.1%</b>	<b>5,882</b>	<b>4,553</b>	<b>29.2%</b>
<b>Total comprehensive income attributable to:</b>						
Equity holders of the Company	2,596	2,357	10.1%	5,882	4,553	29.2%

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

Notes to the consolidated income and statement of comprehensive income	Group 3Q2017	Group 3Q2016	Group YTD Sep 2017	Group YTD Sep 2016
	US\$'000	US\$'000	US\$'000	US\$'000
Interest income	7	6	21	20
Interest on borrowings	(1,158)	(681)	(2,944)	(1,696)
Allowance for doubtful trade debts written back	15	348	50	451
Allowance for doubtful trade debts	(57)	(3)	(1,849)	(84)
Reversal of stocks written down	606	503	1,560	1,858
Stocks written down/ off	(824)	(665)	(2,475)	(1,876)
Depreciation of property, plant and equipment	(185)	(180)	(602)	(555)
Loss on disposal of property, plant and equipment	(10)	-	(11)	(4)
Property, plant and equipment written off	(4)	-	(4)	-
Gain on disposal of club membership	-	-	1	-
Net foreign exchange gain/ (loss)	443	(229)	814	(767)

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 30/09/2017	Group 31/12/2016	Company 30/09/2017	Company 31/12/2016
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Non-current assets</b>				
Property, plant and equipment	2,377	2,577	–	–
Intangible assets	472	519	–	–
Investments in subsidiaries	–	–	9,878	9,878
Investment securities	2,388	1,793	2,388	1,793
Deferred tax assets	18	18	–	–
<b>Total non-current assets</b>	<b>5,255</b>	<b>4,907</b>	<b>12,266</b>	<b>11,671</b>
<b>Current assets</b>				
Trade debtors	179,600	154,236	5	6
Other debtors	2,136	1,143	–	–
Prepayments	636	353	16	2
Stocks	153,970	131,598	–	–
Amounts due from subsidiaries	–	–	26,765	26,551
Cash and short-term deposits	16,702	16,606	3,010	2,841
<b>Total current assets</b>	<b>353,044</b>	<b>303,936</b>	<b>29,796</b>	<b>29,400</b>
<b>Current liabilities</b>				
Trade creditors and accruals	(134,813)	(100,092)	(1,149)	(882)
Other creditors	(16,096)	(13,771)	(21)	(18)
Interest-bearing loans and borrowings	(132,819)	(123,501)	–	–
Provision for taxation	(3,781)	(3,221)	(27)	(16)
<b>Total current liabilities</b>	<b>(287,509)</b>	<b>(240,585)</b>	<b>(1,197)</b>	<b>(916)</b>
<b>Net current assets</b>	<b>65,535</b>	<b>63,351</b>	<b>28,599</b>	<b>28,484</b>
<b>Net assets</b>	<b>70,790</b>	<b>68,258</b>	<b>40,865</b>	<b>40,155</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	38,270	38,244	38,270	38,244
Reserves	32,520	30,014	2,595	1,911
	<b>70,790</b>	<b>68,258</b>	<b>40,865</b>	<b>40,155</b>

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

**Amount repayable in one year or less, or on demand**

<b>At 30/09/2017 (US\$'000)</b>		<b>At 31/12/2016 (US\$'000)</b>	
Secured	Unsecured	Secured	Unsecured
–	132,819	–	123,501

**Amount repayable after one year, or on demand**

<b>At 30/09/2017 (US\$'000)</b>		<b>At 31/12/2016 (US\$'000)</b>	
Secured	Unsecured	Secured	Unsecured
–	–	–	–

**Details of any collateral**

There is no collateral on the Group's interest-bearing loans and borrowings as at 30 September 2017.

As at 30 September 2017, the Company has provided corporate guarantees to banks and institutions in connection with credit facilities provided to its subsidiaries, of which US\$132,845,000 (31 December 2016: US\$126,385,000) of the credit facilities have been utilised.

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 3Q2017	Group 3Q2016	Group YTD Sep 2017	Group YTD Sep 2016
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Operating activities</b>				
Profit before taxation	3,222	2,888	6,692	5,533
Adjustments for:-				
Interest income	(7)	(6)	(21)	(20)
Interest expense	1,158	681	2,944	1,696
Depreciation of property, plant and equipment	185	180	602	555
Loss on disposal of property, plant and equipment	10	–	11	4
Property, plant and equipment written off	4	–	4	–
Dividend income from investment securities	(181)	(177)	(181)	(177)
Gain on disposal of club membership	–	–	(1)	–
Share based payments under EPSS	–	–	26	12
<b>Operating cash flows before changes in working capital</b>	<b>4,391</b>	<b>3,566</b>	<b>10,076</b>	<b>7,603</b>
Increase in stocks	(495)	(11,106)	(22,372)	(12,031)
Increase in trade debtors, other debtors and prepayments	(14,651)	(38,226)	(26,640)	(53,016)
Increase in trade creditors, accruals and other creditors	13,225	26,026	37,046	34,948
<b>Cash flows generated from/ (used in) operations</b>	<b>2,470</b>	<b>(19,740)</b>	<b>(1,890)</b>	<b>(22,496)</b>
Interest received	7	6	21	20
Interest paid	(1,158)	(681)	(2,944)	(1,696)
Income tax paid	(285)	(114)	(843)	(37)
<b>Net cash flows generated from/ (used in) operating activities</b>	<b>1,034</b>	<b>(20,529)</b>	<b>(5,656)</b>	<b>(24,209)</b>
<b>Investing activities</b>				
Purchase of property, plant and equipment	(148)	(359)	(409)	(710)
Proceed from disposal of property, plant and equipment	–	3	–	107
Proceed from disposal of club membership	–	–	48	–
Dividend income from investment securities	160	140	160	140
<b>Net cash flows generated from/ (used in) investing activities</b>	<b>12</b>	<b>(216)</b>	<b>(201)</b>	<b>(463)</b>
<b>Financing activities</b>				
Increase in interest-bearing loans and borrowings	407	17,237	9,318	23,595
Dividend paid on ordinary shares	–	–	(3,376)	(1,906)
<b>Net cash flows generated from financing activities</b>	<b>407</b>	<b>17,237</b>	<b>5,942</b>	<b>21,689</b>
Net increase/ (decrease) in cash and short-term deposits	1,453	(3,508)	85	(2,983)
Effects of exchange rate changes on cash and short-term deposits	2	(3)	11	(8)
Cash and short-term deposits at beginning of period	15,247	11,244	16,606	10,724
<b>Cash and short-term deposits at end of period</b>	<b>16,702</b>	<b>7,733</b>	<b>16,702</b>	<b>7,733</b>

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.

YTD Sep 2017	Attributable to equity holders of the Company							
	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
<b>Opening balance at 1 January 2017</b>	<b>68,258</b>	<b>38,244</b>	<b>30,014</b>	<b>227</b>	<b>264</b>	<b>25</b>	<b>(1,103)</b>	<b>30,601</b>
Profit for the period	5,285	-	5,285	-	-	-	-	5,285
<b>Other comprehensive income</b>								
Items that may be classified subsequently to profit/ loss:								
Foreign currency translation	23	-	23	-	-	-	23	-
Net gain on fair value changes of available-for-sale financial assets	574	-	574	-	574	-	-	-
Other comprehensive income for the period	597	-	597	-	574	-	23	-
Total comprehensive income for the period	5,882	-	5,882	-	574	-	23	5,285
<b>Contributed by and distribution to owners</b>								
Issuance of new shares	26	26	-	-	-	-	-	-
Dividends on ordinary shares	(3,376)	-	(3,376)	-	-	-	-	(3,376)
<b>Closing balance at 30 September 2017</b>	<b>70,790</b>	<b>38,270</b>	<b>32,520</b>	<b>227</b>	<b>838</b>	<b>25</b>	<b>(1,080)</b>	<b>32,510</b>
YTD Sep 2016	Attributable to equity holders of the Company							
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	
<b>Opening balance at 1 January 2016</b>	<b>57,183</b>	<b>32,410</b>	<b>24,773</b>	<b>227</b>	<b>263</b>	<b>25</b>	<b>25,454</b>	
Profit for the period	4,499	-	4,499	-	-	-	4,499	
<b>Other comprehensive income</b>								
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	62	-	62	-	62	-	-	
Other comprehensive income for the period	54	-	54	-	62	-	(8)	
Total comprehensive income for the period	4,553	-	4,553	-	62	-	(8)	
<b>Contribution by and distribution to owners</b>								
Issuance of new shares	12	12	-	-	-	-	-	
Dividends on ordinary shares	(1,906)	-	(1,906)	-	-	-	(1,906)	
<b>Closing balance at 30 September 2016</b>	<b>59,842</b>	<b>32,422</b>	<b>27,420</b>	<b>227</b>	<b>325</b>	<b>25</b>	<b>(1,204)</b>	

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).

3Q2017									
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	
<b>Opening balance at 1 July 2017</b>	<b>68,194</b>	<b>38,270</b>	<b>29,924</b>	<b>227</b>	<b>767</b>	<b>25</b>	<b>(1,082)</b>	<b>29,987</b>	
Profit for the period	2,523	-	2,523	-	-	-	-	2,523	
<b>Other comprehensive income</b>									
Items that may be classified subsequently to profit/ loss:									
Foreign currency translation	2	-	2	-	-	-	2	-	
Net gain on fair value changes of available-for-sale financial assets	71	-	71	-	71	-	-	-	
Other comprehensive income for the period	73	-	73	-	71	-	2	-	
Total comprehensive income for the period	2,596	-	2,596	-	71	-	2	2,523	
<b>Closing balance at 30 September 2017</b>	<b>70,790</b>	<b>38,270</b>	<b>32,520</b>	<b>227</b>	<b>838</b>	<b>25</b>	<b>(1,080)</b>	<b>32,510</b>	
3Q2016									
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	
<b>Opening balance at 1 July 2016</b>	<b>57,485</b>	<b>32,422</b>	<b>25,063</b>	<b>227</b>	<b>395</b>	<b>25</b>	<b>(1,201)</b>	<b>25,617</b>	
Profit for the period	2,430	-	2,430	-	-	-	-	2,430	
<b>Other comprehensive income</b>									
Items that may be classified subsequently to profit/ loss:									
Foreign currency translation	(3)	-	(3)	-	-	-	(3)	-	
Net loss on fair value changes of available-for-sale financial assets	(70)	-	(70)	-	(70)	-	-	-	
Other comprehensive income for the period	(73)	-	(73)	-	(70)	-	(3)	-	
Total comprehensive income for the period	2,357	-	2,357	-	(70)	-	(3)	2,430	
<b>Closing balance at 30 September 2016</b>	<b>59,842</b>	<b>32,422</b>	<b>27,420</b>	<b>227</b>	<b>325</b>	<b>25</b>	<b>(1,204)</b>	<b>28,047</b>	

1(d)(i) A statement (for the issuer and Group) showing either (i) all 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).

YTD Sep 2017						
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
<b>Opening balance at 1 January 2017</b>	<b>40,155</b>	<b>38,244</b>	<b>1,911</b>	<b>227</b>	<b>264</b>	<b>1,420</b>
Profit for the period	3,486	-	3,486	-	-	3,486
<b>Other comprehensive income</b>						
Items that may be classified subsequently to profit/ loss:						
Net gain on fair value changes of available-for-sale financial assets	574	-	574	-	574	-
Total comprehensive income for the period	4,060	-	4,060	-	574	3,486
<b>Contributed by and distribution to owners</b>						
Issuance of new shares	26	26	-	-	-	-
Dividends on ordinary shares	(3,376)	-	(3,376)	-	-	(3,376)
<b>Closing balance at 30 September 2017</b>	<b>40,865</b>	<b>38,270</b>	<b>2,595</b>	<b>227</b>	<b>838</b>	<b>1,530</b>

YTD Sep 2016						
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
<b>Opening balance at 1 January 2016</b>	<b>33,887</b>	<b>32,410</b>	<b>1,477</b>	<b>227</b>	<b>263</b>	<b>987</b>
Profit for the period	2,030	-	2,030	-	-	2,030
<b>Other comprehensive income</b>						
Items that may be classified subsequently to profit/ loss:						
Net gain on fair value changes of available-for-sale financial assets	62	-	62	-	62	-
Total comprehensive income for the period	2,092	-	2,092	-	62	2,030
<b>Contribution by and distribution to owners</b>						
Issuance of new shares	12	12	-	-	-	-
Dividends on ordinary shares	(1,906)	-	(1,906)	-	-	(1,906)
<b>Closing balance at 30 September 2016</b>	<b>34,085</b>	<b>32,422</b>	<b>1,663</b>	<b>227</b>	<b>325</b>	<b>1,111</b>



1(d)(i) A statement (for the issuer and Group) showing either (i) all 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).

3Q2017						
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
<b>Opening balance at 1 July 2017</b>	<b>40,629</b>	<b>38,270</b>	<b>2,359</b>	<b>227</b>	<b>767</b>	<b>1,365</b>
Profit for the period	165	-	165	-	-	165
<b>Other comprehensive income</b>						
Items that may be classified subsequently to profit/ loss:						
Net gain on fair value changes of available-for-sale financial assets	71	-	71	-	71	-
Total comprehensive income for the period	236	-	236	-	71	165
<b>Contributed by and distribution to owners</b>						
Issuance of new shares	-	-	-	-	-	-
Dividends on ordinary shares	-	-	-	-	-	-
<b>Closing balance at 30 September 2017</b>	<b>40,865</b>	<b>38,270</b>	<b>2,595</b>	<b>227</b>	<b>838</b>	<b>1,530</b>

3Q2016						
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
<b>Opening balance at 1 July 2016</b>	<b>34,052</b>	<b>32,422</b>	<b>1,630</b>	<b>227</b>	<b>395</b>	<b>1,008</b>
Profit for the period	103	-	103	-	-	103
<b>Other comprehensive income</b>						
Items that may be classified subsequently to profit/ loss:						
Net loss on fair value changes of available-for-sale financial assets	(70)	-	(70)	-	(70)	-
Total comprehensive income for the period	33	-	33	-	(70)	103
<b>Closing balance at 30 September 2016</b>	<b>34,085</b>	<b>32,422</b>	<b>1,663</b>	<b>227</b>	<b>325</b>	<b>1,111</b>

- 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

	3Q2017		3Q2016	
	No. of shares	US\$'000	No. of shares	US\$'000
<b>Issued share capital</b>				
At beginning and end of financial period	117,870,940	38,270	102,483,440	32,422

- 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 September 2017 is 117,870,940 (31 December 2016: 117,810,940).

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, cancellation and/or use of treasury share during the current financial period reported on.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There was no subsidiary holdings 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 FY2016 audited financial statements.

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	
	3Q2017	3Q2016	YTD Sep 2017	YTD Sep 2016
Based on weighted average number of ordinary shares (US cents)	2.14	2.37	4.48	4.39
Weighted average number of ordinary shares	117,870,940	102,483,440	117,840,610	102,473,586
On a fully diluted basis (US cents)	2.14	2.37	4.48	4.39
Diluted weighted average number of ordinary shares	117,870,940	102,483,440	117,840,610	102,473,586

The basic and diluted earnings per share of the Group were the same, as there were no share options and warrants granted.

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	
	30/09/2017	31/12/2016	30/09/2017	31/12/2016
Net asset value per ordinary share based on existing issued share capital as at end of period reported on (US cents)	60.06	57.94	34.67	34.08
Number of ordinary shares, excluding treasury shares	117,870,940	117,810,940	117,870,940	117,810,940

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 3Q2017 to 3Q2016**

The Group's revenue increased by 5.0% from US\$297.8 million to US\$312.6 million, and gross profit increased by 12.7% from US\$15.2 million to US\$17.1 million, due to the higher sales from the Hong Kong and Singapore business units arising from stronger seasonal demand.

Sales and distribution costs decreased by 4.3% from US\$7.9 million to US\$7.6 million mainly due to net foreign exchange gain.

General and administrative expenses increased by 25.9% from US\$4.2 million to US\$5.3 million. This was mainly due to new system enhancements across the Group, higher staff costs and programs related to the Group's 30<sup>th</sup> year anniversary.

Other expenses increased by US\$0.4 million due to write-back of allowance for doubtful trade debts in 3Q2016, arising from the recovery of trade debts.

Interest expense increased by 70.0% from US\$0.7 million to US\$1.2 million mainly due to higher borrowings and higher financing costs from the hikes in interest rates.

Overall, the Group reported an increase in profit after taxation by 3.8% from US\$2.4 million to US\$2.5 million.

## **CASHFLOW AND FINANCIAL POSITION**

During the quarter, the Group's net cash flow generated from operating activities was US\$1.0 million compared to net cash flow used in operating activities of US\$20.5 million in 3Q2016, mainly due to lower working capital requirement.

The Group's trade debtors increased from US\$154.2 million to US\$179.6 million as at 30 September 2017, due to increase in sales. Stock increased from US\$131.6 million to US\$154.0 million as at 30 September 2017.

Trade creditors and accruals increased from US\$100.1 million to US\$134.8 million as at 30 September 2017, due to higher purchase of stock.

Interest-bearing loans and borrowings increased from US\$123.5 million to US\$132.8 million as at 30 September 2017 to fund the working capital requirements.

The Group's cash and short-term deposits was US\$16.7 million as at 30 September 2017 as compared to US\$16.6 million as at 31 December 2016.

Overall, shareholders' equity increased to US\$70.8 million from US\$68.3 million as at 31 December 2016, due to profit after tax of US\$5.3 million and net gain on fair value changes of available-for-sale financial assets of US\$0.6 million for the period ended 30 September 2017. This was partially offset by the dividend payment of US\$3.4 million.

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.**

With new innovations and updated designs in consumer electronics, such as new smartphones being introduced, the second half of the year is generally the high cycle for electronics manufacturing and sales activities.

China's official manufacturing purchasing managers' index rose to 52.4 in September 2017\*, which is a five-year-high as activities in China's manufacturing sector increased significantly. With China's positive growth momentum, we are of the view that this market will continue to be the key driver in our business.

The sustained initiatives for more infrastructure growth in emerging markets that we operate in continues to give rise to new business opportunities. In Singapore, the government's Smart Nation initiatives will provide opportunities for our business.

Aligned with the positive market trends in our operating markets, our key focus in consumer, connectivity and industrial business segments remain key growth catalysts. At the same time, the Group continues to develop expertise, capabilities and technologies to harness the growing opportunities in relation to the Internet of Things ("IoT"). Focusing on the sustainability of business growth, the Group will continue to explore partnerships, strategic alliances as well as expand our technical capabilities and product portfolio to enhance our competitive strengths.

*\*Source taken from the National Bureau of Statistics of China 2017*

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 3Q2017.

**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 September 2017 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)
Albert Phuyay Yong Hen	US\$89,100	Rental of premises	N.A.

**14. Use of Placement Proceeds as at 30 September 2017**

The Company refers to the net proceeds of approximately S\$7,825,000 raised from the placement of 15 million new ordinary shares at S\$0.525 each in the issued and paid-up share capital of the Company on 5 October 2016 (the "Net Proceeds") (as defined in the Company's announcement dated 2 September 2016 ("the Announcement")).

As at the date of this announcement, the status on the use of the Net Proceeds is as follows:-

Intended Uses	Approximate Amount (S\$'000)	Estimated Percentage Allocation of Net Proceeds	Amount Utilised as at 30 Sep 2017 (S\$'000)	Balance as at 30 Sep 2017 (S\$'000)
Strategic Investments and Acquisitions	5,000	63.9%	—	5,000
Development of New Technology and Application	1,700	21.7%	(8)	1,692
Investments in Research and Development Expertise	1,125	14.4%	(154)	971
Total	7,825	100.0%	(162)	7,663

The above utilisation of Net Proceeds is in accordance with the intended purposes and percentage allocation as set out in the Announcement. The Company will continue to provide updates on the use of the Net Proceeds as and when such proceeds have been materially disbursed.

**15. 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 third quarter ended 30 September 2017 to be false or misleading.

**16. 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  
13 November 2017