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PRESS RELEASE

ACTION ASIA REPORTS IMPROVED RESULTS FOR FY2014

SINGAPORE, 27 February 2015 – SGX-MAINBOARD-LISTED Action Asia Limited ("Action Asia" or the "Group"), designer, manufacturer and assembler of video and audio mobile entertainment products, has reported improved results for FY2014.

The Group returned to the black with a pre-tax profit of S$186,000 for FY2014, against a pre-tax loss S$4.2 million in FY2013. On a net profit level, the Group broke even, with net profit of S$60,000 reversing its loss of S$4.3 million in FY2013.

The improved bottomline was achieved as a result of a 21.1% surge in full year revenue to S$136.6 million compared to S$112.8 million in FY2013. The Group also benefitted from a one-off gain of about S$0.6 million from the successful sale of its office building in Singapore in FY2014.

Group revenue improved due to increased customer demand for the Group's consumer lifestyle entertainment products as well as from its warehousing and logistic services provided at its new logistic center in Jiading, Shanghai.

The Group's expenses rose as more raw materials and consumables were needed to meet the rise in sales and more manpower was used to drive sales for the Group's consumer products in China

Finance expenses also went up by 76.5% to S$902,000 from S$511,000 in FY2013 - due to interest expense on a loan taken to finance the construction of buildings in Jiading, Shanghai is currently used as a warehousing and logistic center to provide logistics services to customers.

Financial Position

The Group's financial position remains healthy.

Group borrowings fell from S$44.6 million as at December 31, 2013 to S$26.2 million as at December 31, 2014 mainly due to repayment of trade financing upon maturity.

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Group cash and cash equivalents remained stable at about S$29.8 million.

Trade and other receivables at Group level rose to S$59.4 million from S$48.6 million as at December 31, 2013 mainly due to higher sales achieved in FY2014.

Group inventories also grew as more key raw materials were bought to produce finished products in the coming months.

Investment properties went up – reflecting the completion of its warehouse building in Jiading, Shanghai.

In line with its improved performance, the Group's earnings per share rebounded to 0.05 cents as against a loss per share of 1.18 cents in FY2013.

Group Net Asset Value improved to 23 cents per share.

Going Forward

"The Group has achieved a positive upturn in its performance in FY2014 due to the concerted efforts taken by the Board, management and the employees as well as our business partners to overcome the challenges of a volatile global economy and a slowing China market," said the Group's Chairman Li Yuan-Chen @ Jack Li

"We have taken strategic steps to boost our revenue through innovation and enhanced marketing. We have strengthened our R&D as well as our sales and marketing teams to come up with new innovative products and creative ideas to delight our customers. Our results in FY2014 have proved that these efforts have delivered positive outcomes.

"Going forward, the demand for smart mobile devices will continue to lead sales for consumer electronics products worldwide including Asia. The Group has strategically zeroed in on this area and will remain committed to forge new paths and ideas while placing emphasis on creative execution to raise productivity and efficiency while delivering innovative products to consumers. We will also explore collaborative opportunities to grow our market share and achieve long-term sustainability.

We will however stay vigilant against market volatility and exercise prudence in managing business risks. "

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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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