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PRESS RELEASE**ACTION ASIA HAS REPORTED A PROFITABLE 3QFY2014**

SINGAPORE, 31 October 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 net profit of S\$648,000 on improved revenue of S\$34.56 million for the third quarter of financial year 2014 (“3Q14”).

The Group’s other operating income rose by more than 50% from S\$845,000 in 3Q13 to S\$1.28 million in 3Q14. This increase was mainly due to higher income from warehousing and logistics services provided at its new logistics center in Jiading, Shanghai after the completion of construction for the building’s second phase.

The Group also recorded an improved performance for the nine months ended Sep 30, 2014 (“9MFY2014”). Group revenue remained stable compared to the previous corresponding quarter while it narrowed its net loss from S\$5.67 million to S\$0.97 million during the same period.

The enhanced performance was helped by the Group’s higher other operating income which more than doubled to S\$3.52 million from S\$1.74 million in the nine months in FY2013.

The surge was due to the sale of a property in Singapore, netting a gain of S\$653,000 and also rise in income from its warehouse and logistics services.

The Group invested more resources in driving sales for its innovative consumer electronics products in the past nine months of this year. Employee compensation for 9M14 went up by 10.43% as the Group strengthened its sales and marketing team to expand the Group’s sales in China. The rise in salaries was also due to the implementation of the Chinese government’s minimum wage policy.

Financial Position

The Group’s financial position remains healthy.



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Group borrowings were reduced from S\$44.61 million as at December 31, 2013 to S\$25.50 million as at September 30, 2014 as the Group repaid its borrowings substantially.

Group's cash and cash equivalent eased to S\$32.63 million as at September 30, 2014, from S\$51.15 million as at December 31, 2013.

The Group's inventories increased mainly due to a change in working capital and the purchase of key materials in anticipation of an increase in production of finished products in the coming months.

Group Earnings Per Share (EPS) for the three months ended was 0.12 cent in 3Q14, compared to Loss Per Share of 0.47 cent in 3Q13.

Group Net Asset Value (NAV) as at September 30 2014 remained largely stable at 22.20 cents.

Going Forward

On the Group's results, Chairman Li Yuan-Chen @ Jack Li said: "The overall global economy and the operating environment for consumer electronics products remain challenging. The Group's turnaround in 3QFY2014 showed the strong efforts made and the right strategies adopted by the management in achieving an improved performance for the Group.

The global demand for smartphones and tablets is now slowing. Therefore, the Group has to boost R&D and innovation to continue delighting our customers in order to drive sales.

Despite the challenging outlook for smart mobile devices, the Group still expects to see some growth in consumer electronics worldwide next quarter, potentially spurred by launches of new products including in China.

We will therefore focus on releasing more new mobile devices – mainly new mid- to low-end models with more advanced features and competitive pricing. As such, we will also work towards higher productivity through more efficient production to reduce the costs of making our new smart devices to create a more diverse product portfolio to target a wider customer base."



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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.

*Release issued on behalf of Action Asia Limited by
Stratagem Consultants Pte Ltd*

For more information, please contact:
Tham Moon Yee/ Lee Yew Meng/ Khor Sook Fong
Tel: 6227 0502

Email: tmy@stratagemconsultants.com
yewmeng@stratagemconsultants.com
kshf@stratagemconsultants.com