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PRESS RELEASE

ACTION ASIA REPORTS REVENUE OF S$21.22 MILLION FOR 1QFY2014

SINGAPORE, 30 April, 2014 – SGX-MAINBOARD-LISTED Action Asia Limited ("Action Asia" or the "Group"), designer, manufacturer and assembler of video and audio mobile entertainment products, has reported revenue of S$21.22 million for the first quarter of financial year 2014("1Q2014").

This 14 percent decline in revenue compared to 1QFY2013, mainly due to lower orders and selling prices for both its consumer lifestyle and in-car entertainment products, has deepened the Group's loss for the quarter.

The Group recorded $1.87 million net loss against net loss of S$1.18 million in the first quarter of FY2013.

However, the Group's other operating income rose from S$0.44 million in 1Q2013 to S$1.44 million in 1Q2014 – due to a gain on disposal of property, plant and equipment amounting to S$0.65 million.

The Group also reduced its overall operating costs to S$25.95 million in 1Q2014 from S$26.45 million in 1Q2013.

While employee compensation and finance expenses increased, other costs were reduced or remained unchanged.

Employee compensation for 1Q2014 increased by 12 percent to S$3.61 million compared with S$3.22 million in 1Q2013 due to expanded sales team in China. Finance expenses went up to S$0.27 million from S$0.16 million in 1Q2013 due to interest expenses to finance the construction of its building in Jiading, Shanghai.

Depreciation for 1Q2014 fell by 32 percent as certain property, plant and equipments have been fully depreciated in the current financial period.

The other operating expenses which include warranty expenses and other distribution expenses remained unchanged at S$2.25 million in 1Q2014.

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Financial Position

Despite the loss, the Group maintains a positive cash flow and balance sheet. Group borrowings dipped from S$44.61 million on December 31, 2013 to S$37.91 million on March 31, 2014 mainly due to repayment of trade financing upon maturity. The Group continued to generate positive cashflow of S$7.59 million from its operating activities in Q1FY2014.

The Group's cash and cash equivalent was S$43.90 million.

Group Loss Per Share was 0.40 cent in 1QFY2014, compared to 0.35 cent Loss Per Share in 1QFY2013. The Net Asset Value (NAV) dipped to 21.56 cents on 31 March, 2014, from 22.55 cents on 31 March 2013.

On the Group's results, Chairman Li Yuan-Chen @ Jack Li said: "The Group's performance in 1Q2014, historically a slow period for orders, was affected by the restructuring of our key customer.

"While there is some pick-up in China domestic demand and easing in deflationary pressures, downside risks to growth persist as both new export orders and employment contracted in the first quarter of 2014 – amid global challenges.

"The Group is therefore taking active measures to explore new business concepts to drive sales. In fact, we have strengthened our sales team to seek new business channels and we will continue to build on our R&D capabilities to innovate new product designs for our customers. We will continue to exercise cost control and prudent management of business risks.

"In view of the challenging business conditions in China and uncertainties in the global economy, we remain cautiously optimistic of the Group's outlook for the coming months."

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

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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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