

**Financial Statement And Dividend Announcement for the Period Ended [31/03/09]**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),  
HALF-YEAR AND FULL YEAR RESULTS**

**1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**UNAUDITED CONSOLIDATED PROFIT AND LOSS STATEMENT  
For the first quarter ended March 31, 2009**

	<b>GROUP</b>		Increase/ (decrease) %
	3 Months ended		
	<u>31/03/09</u>	<u>31/03/08</u>	
	\$'000	\$'000	
<b>Revenue</b>	<b>35,367</b>	<b>48,686</b>	<b>(27.36)</b>
Other operating income	197	306	(35.62)
Changes in inventories of finished goods and work-in-progress	(796)	1,156	>100
Raw materials and consumables used	(23,460)	(42,343)	(44.60)
Staff costs	(3,170)	(1,970)	60.91
Depreciation expense	(759)	(833)	(8.88)
Other operating expenses	(3,265)	(3,722)	(12.28)
Finance Costs	(1)	(152)	(99.34)
<b>Profit before tax</b>	<b>4,113</b>	<b>1,128</b>	<b>&gt;100</b>
Income tax expense	(741)	(269)	>100
<b>Profit after tax</b>	<b>3,372</b>	<b>859</b>	<b>&gt;100</b>
<b>Attributable to:</b>			
Minority interest	1,555	621	>100
Equity holders of the Company	1,817	238	>100
	<b>3,372</b>	<b>859</b>	<b>&gt;100</b>

**Additional information for the profit and loss statement above:**

	<b>GROUP</b>		Increase/ (decrease) %
	3 Months ended		
	<u>31/03/09</u>	<u>31/03/08</u>	
	\$'000	\$'000	
Interest income	120	118	1.69
Foreign exchange gain/(loss)	50	(507)	>100
Interest expense on borrowings	(1)	(152)	(99.34)
Allowance for slow moving inventories	-	(283)	>100
Allowance for doubtful debt	(55)	-	>100
Reversal of allowance for doubtful trade receivables no longer required	-	23	>100
Amortisation of club membership	(3)	(3)	-
Depreciation of property, plant and equipment	(759)	(833)	(8.88)

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

**BALANCE SHEETS**  
As at March 31, 2009

ASSETS	GROUP		COMPANY	
	31/03/09 \$'000	31/12/08 \$'000	31/03/09 \$'000	31/12/08 \$'000
<b>Current assets</b>				
Cash and bank balances	36,212	46,211	460	519
Pledge bank deposit	-	6,179	-	-
Trade receivables	34,508	25,448	-	-
Other receivables, deposits and prepayments	2,681	2,517	18	87
Held for trading investment	-	2,109	-	-
Inventories	12,220	12,159	-	-
<b>Total current assets</b>	<b>85,621</b>	<b>94,623</b>	<b>478</b>	<b>606</b>
<b>Non-current assets</b>				
Property, plant and equipment	18,256	17,367	623	628
Prepaid land premium	2,630	2,470	-	-
Subsidiaries	-	-	48,684	48,684
Club membership	40	41	-	-
Deferred tax assets	677	641	-	-
<b>Total non-current assets</b>	<b>21,576</b>	<b>20,519</b>	<b>49,307</b>	<b>49,312</b>
<b>Total assets</b>	<b>107,197</b>	<b>115,142</b>	<b>49,785</b>	<b>49,918</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Bank overdrafts and trade financing	-	6,179	-	-
Trade payables	12,063	20,921	-	-
Other payables	9,029	9,243	836	757
Derivative financial instrument	-	115	-	-
Provisions	4,925	4,526	-	-
Income tax payable	2,967	2,220	-	-
<b>Total current liabilities</b>	<b>28,984</b>	<b>43,204</b>	<b>836</b>	<b>757</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	537	536	-	-
<b>Total non-current liabilities</b>	<b>537</b>	<b>536</b>	<b>-</b>	<b>-</b>
<b>Capital, reserves and minority interest</b>				
Share capital	54,169	54,169	54,169	54,169
Treasury shares	(120)	(120)	(120)	(120)
Currency translation reserve (deficit)	561	(1,894)	-	-
Accumulated profits (losses)	12,954	11,137	(5,100)	(4,888)
Equity attributable to equity holders of the company	67,564	63,292	48,949	49,161
<b>Minority interest</b>	<b>10,112</b>	<b>8,110</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>77,676</b>	<b>71,402</b>	<b>48,949</b>	<b>49,161</b>
<b>Total liabilities and equity</b>	<b>107,197</b>	<b>115,142</b>	<b>49,785</b>	<b>49,918</b>

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

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

As at 31/03/2009		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
-	-	-	6,179,000

- 1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

**CONSOLIDATED CASH FLOW STATEMENT  
For the first quarter ended March 31, 2009**

	<b>GROUP</b>	
	<b>3 months ended</b>	
	<u>31/03/09</u>	<u>31/03/08</u>
	\$'000	\$'000
<b>Operating activities</b>		
Profit before tax	4,113	1,128
Adjustments for:		
Depreciation of property, plant and equipment	759	833
Interest income	(120)	(118)
Finance costs	1	152
Property, plant and equipment written off	-	1
Provision for royalty	46	381
Provision for warranty	575	751
Allowance for slow moving inventories	-	283
Allowance for doubtful trade receivables	55	-
Reversal of allowance for doubtful trade receivables no longer required	-	(23)
Amortisation of club membership	3	3
Operating cash flow before movements in working capital	5,432	3,391
Trade receivables	(9,115)	29,589
Other receivables, deposits and prepayments	(302)	1,122
Inventories	(61)	(6,539)
Trade payables	(8,858)	(20,306)
Other payables and accruals	(214)	(2,138)
Cash (used in) generated from operations	(13,118)	5,119
Interest paid	(1)	(152)
Royalty paid	(375)	(319)
Income tax refunded	138	-
Interest received	120	118
Net cash (used in) from operating activities	(13,236)	4,766
<b>Investing activities</b>		
Sale of held for trading investment	2,125	-
Purchase of property, plant and equipment	(1,104)	(351)
Net cash from (used in) investing activities	1,021	(351)
<b>Financing activities</b>		
(Repayment of) / Proceeds from trade financing	(6,179)	3,323
Decrease in pledge bank deposit	6,179	-
Net cash from financing activities	-	3,323
Net (decrease) increase in cash and cash equivalents	(12,215)	7,738
Cash and cash equivalents at beginning of year	46,211	27,697
Effect of foreign exchange rate changes on balance of cash held in foreign currencies	2,216	28
Cash and cash equivalents at end of year	36,212	35,463

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.

**STATEMENTS OF CHANGES IN EQUITY**  
**For the first quarter ended March 31, 2009**

	Issued capital \$'000	Treasury shares \$'000	Currency translation reserves/ (deficit) \$'000	Accumulated profits/ (losses) \$'000	Attributable to equity holders of the company \$'000	Minority interest \$'000	Total \$'000
<b>GROUP</b>							
Balance at January 1, 2009	54,169	(120)	(1,894)	11,137	63,292	8,110	71,402
Profit for the year	-	-	-	1,817	1,817	1,555	3,372
Currency translation adjustments	-	-	2,455	-	2,455	447	2,902
Balance at March 31, 2009	54,169	(120)	561	12,954	67,564	10,112	77,676
<b>COMPANY</b>							
Balance at January 1, 2009	54,169	(120)	-	(4,888)	49,161	-	49,161
Loss for the year	-	-	-	(212)	(212)	-	(212)
Balance at March 31, 2009	54,169	(120)	-	(5,100)	48,949	-	48,949

**STATEMENTS OF CHANGES IN EQUITY**  
**For the first quarter ended March 31, 2008**

	Issued <u>capital</u> \$'000	Currency translation <u>deficit</u> \$'000	Accumulated profits/ <u>(losses)</u> \$'000	Attributable to equity holders of the <u>company</u> \$'000	Minority <u>interest</u> \$'000	<u>Total</u> \$'000
<u>GROUP</u>						
Balance at January 1, 2008	54,169	(2,979)	2,592	53,782	4,674	58,456
Profit for the period	-	-	238	238	621	859
Currency translation adjustments	-	(414)	5	(409)	(194)	(603)
Balance at March 31, 2008	54,169	(3,393)	2,835	53,611	5,101	58,712

COMPANY

Balance at January 1, 2008	54,169	-	1,889	56,058	-	56,058
Loss for the period	-	-	(158)	(158)	-	(158)
Balance at March 31, 2008	54,169	-	1,731	55,900	-	55,900

**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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.**

There were no changes in the Company's share capital since the end of the previous period reported on. As at March 31, 2009, the share capital of the Company comprises of 400,000,000 shares.

No share option was granted to any executive or employee up to the date of this announcement.

As at March 31, 2009, 1,000,000 shares were held as treasury shares (March 31, 2008: Nil).

**1(d)(iii) To show the total amount of issued shares excluding treasury shares as at the end of the current financial period and as at end of the immediately preceding year.**

The total number of issued shares excluding treasury shares as at March 31, 2009 is 399,000,000 shares (March 31, 2008: 400,000,000)

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

No sales, transfers, disposal, cancellation and/or use of treasury shares as at March 31, 2009.

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not Applicable

**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 has applied the same accounting policies and methods of computation for the current accounting period compared to the audited financial statements as at December 31, 2008.

**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.**

Not Applicable

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 EARNINGS PER SHARE FOR THE PERIOD ENDED MARCH 31, 2008

	3 months ended	
	31/03/2009	31/03/2008
(a) Based on weighted average number of ordinary shares on issue (cents)	0.46*	0.06**
(b) On fully diluted basis (cents)	0.46*	0.06**

Notes:

\* The basic and diluted earnings per ordinary share has been calculated based on the group's profit attributable to equity holders of the Company of approximately S\$1,817,000 divided by the weighted average number of ordinary shares of 399,000,000 in issue during the period.

\*\* The basic and diluted earnings per ordinary share has been calculated based on the group's profit attributable to equity holders of the Company of approximately S\$238,000 divided by the weighted average number of ordinary shares of 400,000,000 in issue during the period.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

(a) current period reported on; and

	31/03/09 NTA/Share (cents)
Group	16.93
Company	12.27

Net asset value per ordinary share as at March 31, 2009 is calculated based on share capital excluding treasury shares of the Company of 399,000,000 shares.

(b) immediately preceding financial period for the Group.

	31/12/08 NTA/Share (cents)
Group	15.86
Company	12.32

Net asset value per ordinary shares as at December 31, 2008 is calculated based on share capital of the Company of 399,000,000 shares.

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.**

### **Profit & Loss Statement**

For the current first quarter ended March 31, 2009, the Group's revenue declined by 27% to S\$35.4 million from S\$48.7 million compared to the corresponding period of last year. The decline was mainly due to the drop in selling price for the Group's products following the softening of the LCD panel price globally.

Staff cost increased by 61% as more engineers were recruited to strengthen our R&D efforts in preparation for churning out more technologically-savvy products to meet market's expectation. Additional manpower was also required to support higher volume of order received from customer.

The Group reduced its trade financing and this has resulted in cost saving on finance cost.

Despite the lower revenue, the Group achieved a better net margin for the current first quarter ended March 31, 2009, from 1.8 per cent in the first quarter of last year to 9.5 per cent, due to lower materials cost, Group's effort in reducing operating cost and higher economies of scale. The lower cost of raw materials was attributed to the lower global prices for LCD panels.

As a result, despite the lower sales, the Group achieved a higher net profit attributable to equity holders of the Company amounting to S\$1.8 million for the first quarter ended March 31, 2009 compared to a profit of S\$238,000 in the corresponding period of prior year.

### **Balance Sheet and Cash flow**

Trade receivables at Group level increased from S\$25.5 million as at December 31, 2008 to S\$34.5 million as at March 31, 2009 due to higher revenue achieved for the current quarter as compared to the preceding quarter.

The Group has settled all the trade financing and there was no bank borrowing as at March 31, 2009.

The Group's trade payables decreased from S\$20.9 million as at December 31, 2008 to S\$12.1 million as at March 31, 2009 mainly because the Group settled all overdue payment to its major sub-contractor for the production of its finished products after terminating this outsourcing activity. This activity was subsequently carried out by the Group's China subsidiary.

Due to higher trade receivables and the settlement of overdue trade payable as explained above, the Group has generated a negative operating cash flow of S\$13.3 million in the current first quarter ended March 31, 2009.

Overall, the Group's cash and cash equivalent reduced to S\$36.2 million, a decrease of S\$10 million from S\$46.2 million at the end of FY2008.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No forecast or prospect statement was disclosed to shareholders previously.

10. **A commentary at the date of the announcement of the 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.**

For the next two quarters, management expects to be on track to roll out more new models as compared to the same period last year. As a result, the Group expects to achieve higher revenue for the second quarter of this year. The Group expects to be profitable for the next quarter and the full year.

11. **Dividend**

***(a) Current Financial Period Reported On***

Any dividend declared for the current financial period reported on?

Not applicable.

***(b) Corresponding Period of the Immediately Preceding Financial Year***

Any dividend declared for the corresponding period of the immediately preceding financial year?

Not applicable.

***(c) Date payable***

Not applicable

***(d) Books closure date***

Not applicable

12. **If no dividend has been declared/recommendeded, a statement to that effect**

Not applicable

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

- 13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Not applicable

- 14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Not applicable

- 15. A breakdown of sales**

Not applicable

- 16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable

## 17. Interested Person Transactions

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Action Electronics Co. Ltd.	NA	-
Action Technology (Shenzhen) Co. Ltd	NA	-
Far Year Holdings Ltd	NA	-
Shanghai Far Year Tech Co	NA	-

### BY ORDER OF THE BOARD

**Juliana Loh**  
Company Secretary  
(24/04/2009)

### CONFIRMATION BY THE BOARD

We, Peng Wen Chih and Jack Li Yuan Chen, being two directors of Action Asia Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the first quarter 2009 financial statements to be false or misleading in any material aspect.

On behalf of the Board of Directors

Peng Wen Chih  
Director

Jack Li Yuan Chen  
Director