



NEWS RELEASE

ACTION ASIA REPORTS THREE-FOLD SURGE IN NET PROFIT TO S\$3.4 MILLION FOR THE FIRST QUARTER THIS YEAR

- **NET MARGIN SOARS FIVE-FOLD TO 9.5% FROM 1.8% IN SAME PERIOD OF LAST YEAR AS THE GROUP BENEFITTED FROM THE INTRODUCTION OF NEW AND INNOVATIVE PRODUCTS AS WELL AS LOWER RAW MATERIAL PRICES**

Singapore, April 24th, 2009 – SGX-MAINBOARD-LISTED Action Asia Limited (“Action Asia” or the “Group”), a designer, manufacturer and assembler of video and audio mobile entertainment products, has continued to announce sterling results for its first quarter ended March 31, 2009 despite the current global economic conditions. The Group recently announced a two-fold increase in net profit to reach S\$10.5 million for FY2008.

For the first quarter of the year, the Group achieved a three-fold surge in net profit to S\$3.4 million against a net profit of S\$859,000 in Q1FY08. This was achieved despite an easing of Group revenue to S\$35.4 million for Q1FY09.

The surge in net profit was due to the continued improvement in net margins that climbed to 9.5% from 6.4% in FY2008

The increase in net margins was mainly attributed to the lower prices of LCD panels - the



key raw material used in the company's products. Another reason is the higher economies of scale enjoyed by the Group's manufacturing operations.

Group earnings per share (EPS) in Q1FY09 surged 6.5 folds to 0.46 Singapore cents while Net Asset Value (NAV) per share increased by 6.7% to 16.93 cents as at March 31, 2009.

The company enjoyed a healthy financial position with cash and cash equivalents of S\$36.2 million as at March 31, 2009 up from S\$35.5 million in the corresponding period of FY2008

On the Group's results and forward plans, Dato' Peng Chiun Ping, Chairman of Action Asia said, "We are pleased to report another set of sterling results for the first quarter of the year. This is achieved despite challenging market conditions.

The outlook for the global economy in the coming months continue to be volatile, but we will continue to be committed to our R and D efforts to bring about continued product innovation and quality improvements. This way, we will also be able to introduce new innovative products to gain first mover advantage.

Our new factory in Jiading is also coming onstream as it is scheduled to be completed in 2HFY2009. This will provide additional capacity for growth.

We expect the overall performance of the Group to remain profitable for the next quarter."



About Action Asia

Set up in 1987 and listed on the Mainboard of the SGX in January 15, 2004, Action Asia is a subsidiary of Action Electronics Co., Ltd. - a listed company on the Taiwan Stock Exchange. Action Asia is today a designer, manufacturer and assembler of video and audio mobile entertainment products. Its strength lies in its ability to integrate components, enabling its finished products to perform multiple functions.

Today, Action Asia's products can be categorized into mobile entertainment products and indoor/outdoor products. Its mobile video products - with display screens from 6.8 to 15 inches - are installed mainly in automobiles and commercial vehicles. Its portable audio and video products with display screen sizes from 5.6 to 15 inches are used mainly in homes, hospitals and outdoors.

In 2005, the Group introduced a new product series that includes the 12", 15", 17" and 20" LCD TV that comes with or without DVD player/DVB-Tuner Module and card reader to the United States, South-east Asia and China, as well as Japan and Europe.

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Stratagem Consultants Pte Ltd*

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