

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

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

|  | Group           |                 |           | Group          |                 |            |
|--|-----------------|-----------------|-----------|----------------|-----------------|------------|
|  | 12 months ended |                 | Fav/      | 3 months ended |                 | Fav/       |
|  | 31/12/2013      | 31/12/2012      | (Unfav)   | 31/12/2013     | 31/12/2012      | (Unfav)    |
|  | \$'000          | \$'000          | %         | \$'000         | \$'000          | %          |
| <b>Continuing Operations</b>   |                 |                 |           |                |                 |            |
| Revenue  | 65,789          | 72,084          | (9)       | 17,791         | 17,651          | 1          |
| Cost of service and sales  | (61,973)        | (69,701)        | 11        | (14,556)       | (16,403)        | 11         |
| <b>Gross profit</b>  | <b>3,816</b>    | <b>2,383</b>    | <b>60</b> | <b>3,235</b>   | <b>1,248</b>    | <b>159</b> |
| <i>Gross margin</i>  | <i>5.8%</i>     | <i>3.3%</i>     |           | <i>18.2%</i>   | <i>7.1%</i>     |            |
| Other income (including interest income)                             | 3,391           | 802             | 323       | 1,735          | 326             | 432        |
| Administrative expenses  | (7,875)         | (9,559)         | 18        | (1,143)        | (2,583)         | 56         |
| Distribution costs   | (2,732)         | (3,158)         | 13        | (1,183)        | (1,192)         | 1          |
| Other expenses   | (1,501)         | (10,697)        | 86        | (1,397)        | (9,697)         | 86         |
| Finance costs  | (1,174)         | (1,246)         | 6         | (288)          | (232)           | (24)       |
| <b>Loss before income tax</b>  | <b>(6,075)</b>  | <b>(21,475)</b> | <b>72</b> | <b>959</b>     | <b>(12,130)</b> | <b>NM</b>  |
| Income tax expense   | (761)           | -               | -         | (761)          | -               | -          |
| <b>Net loss for the year / period from continuing operations</b>     | <b>(6,836)</b>  | <b>(21,475)</b> | <b>68</b> | <b>198</b>     | <b>(12,130)</b> | <b>NM</b>  |
| <b>Discontinued Operation</b>  |                 |                 |           |                |                 |            |
| Profit (Loss) for the period from discontinued operation             | (1,756)         | (3,505)         | 50        | (1,390)        | 1,435           | NM         |
|  | <b>(8,592)</b>  | <b>(24,980)</b> |           | <b>(1,192)</b> | <b>(10,695)</b> |            |
| Attributable to:   |                 |                 |           |                |                 |            |
| Owners of the company  | (7,915)         | (23,756)        | 67        | (1,393)        | (10,386)        | 87         |
| Non-controlling interests  | (677)           | (1,224)         | 45        | 201            | (309)           | NM         |
|  | <b>(8,592)</b>  | <b>(24,980)</b> |           | <b>(1,192)</b> | <b>(10,695)</b> |            |
| <b>Statement of comprehensive income</b>                             |                 |                 |           |                |                 |            |
| Net loss for the year / period                                       | (8,592)         | (24,980)        | 66        | (1,192)        | (10,695)        | 89         |
| <b>Other comprehensive income:</b>                                   |                 |                 |           |                |                 |            |
| <b>Items that may be reclassified subsequently to profit or loss</b> |                 |                 |           |                |                 |            |
| Foreign currency translation   | 2,056           | (2,880)         | NM        | 601            | 295             | 104        |
| <b>Other comprehensive profit (loss) for the year / period</b>       | <b>2,056</b>    | <b>(2,880)</b>  |           | <b>601</b>     | <b>295</b>      |            |
| <b>Total comprehensive loss for the year / period</b>                | <b>(6,536)</b>  | <b>(27,860)</b> | <b>77</b> | <b>(591)</b>   | <b>(10,400)</b> | <b>94</b>  |
| Total comprehensive loss attributable to:                            |                 |                 |           |                |                 |            |
| Owners of the company  | (6,699)         | (25,945)        | 74        | (1,057)        | (10,171)        | 90         |
| Non-controlling interests  | 163             | (1,915)         | NM        | 466            | (229)           | NM         |
|  | <b>(6,536)</b>  | <b>(27,860)</b> | <b>77</b> | <b>(591)</b>   | <b>(10,400)</b> | <b>94</b>  |

NM: Not meaningful

Net loss for the year / period from continuing operations as a percentage of revenue

|  |        |        |      |        |
|--|--------|--------|------|--------|
|  | -10.4% | -29.8% | 1.1% | -68.7% |
|--|--------|--------|------|--------|

**Loss before income tax is arrived at after charging (crediting) the following:**

**Continuing Operations**

|   |         |        |         |       |
|---|---------|--------|---------|-------|
| Depreciation of property, plant and equipment     | 10,455  | 10,712 | 2,963   | 3,121 |
| Impairment of property, plant and equipment       | (63)    | 1,130  | (63)    | 1,130 |
| Property, plant and equipment written off         | 75      | 663    | -       | (17)  |
| Loss on disposal of property, plant and equipment | 3,094   | 14     | 2,289   | 1,131 |
| Allowance for doubtful receivables                | (1,162) | 251    | (1,162) | 251   |
| Reversal of allowance for inventory obsolescences | (1,013) | (810)  | (1,013) | (810) |
| Amortisation of land use rights                   | 96      | 88     | 52      | 44    |
| Provision for loss on share buy-back              | 773     | 9,705  | 773     | 9,705 |
| Interest income                                   | (149)   | (116)  | (38)    | (19)  |
| Interest expense                                  | 1,174   | 1,246  | 288     | (72)  |
| Foreign exchange (gain) loss                      | (4,768) | 1,468  | (4,171) | 5,686 |

**Discontinued Operation**

|  |         |       |         |       |
|--|---------|-------|---------|-------|
| Depreciation of property, plant and equipment            | 1,303   | 2,960 | 161     | 574   |
| Property, plant and equipment written off                | -       | 125   | -       | -     |
| (Gain) Loss on disposal of property, plant and equipment | (2,525) | 964   | (1,482) | (121) |
| Allowance for inventory obsolescences                    | -       | 427   | -       | 427   |
| Interest income  | (4)     | (5)   | -       | (1)   |
| Interest expense   | 235     | 389   | 44      | 389   |
| Foreign exchange (gain) loss                             | (27)    | (19)  | (29)    | (22)  |
| Impairment of goodwill                                   | 2,144   | -     | 2,144   | -     |

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.

**Statements of Financial Position**

|  | Group               |                     | Company             |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | As at<br>31/12/2013 | As at<br>31/12/2012 | As at<br>31/12/2013 | As at<br>31/12/2012 |
|  | \$'000              | \$'000              | \$'000              | \$'000              |
| <b>Current assets</b>                                  |                     |                     |                     |                     |
| Cash and bank balances                                 | 18,997              | 17,395              | 459                 | 103                 |
| Pledged bank deposits                                  | 609                 | 146                 | -                   | -                   |
| Trade receivables                                      | 22,560              | 28,411              | -                   | -                   |
| Other receivables and prepayments                      | 2,300               | 2,330               | 9,601               | 7,949               |
| Plant and equipment classified as held for sale        | 3,332               | -                   | -                   | -                   |
| Land use rights  | 96                  | 90                  | -                   | -                   |
| Inventories  | 4,635               | 5,980               | -                   | -                   |
| <b>Total current assets</b>                            | <b>52,529</b>       | <b>54,352</b>       | <b>10,060</b>       | <b>8,052</b>        |
| <b>Non-current assets</b>                              |                     |                     |                     |                     |
| Investment in subsidiaries                             | -                   | -                   | 71,949              | 67,446              |
| Investment in associate                                | 205                 | -                   | -                   | -                   |
| Land use rights  | 4,034               | 3,872               | -                   | -                   |
| Property, plant and equipment                          | 43,265              | 57,258              | 740                 | 708                 |
| Other receivables                                      | 1,244               | 1,341               | -                   | -                   |
| Goodwill   | 82                  | 2,226               | -                   | -                   |
| Deferred tax assets                                    | 619                 | 1,355               | -                   | -                   |
| <b>Total non-current assets</b>                        | <b>49,449</b>       | <b>66,052</b>       | <b>72,689</b>       | <b>68,154</b>       |
| <b>Total assets</b>                                    | <b>101,978</b>      | <b>120,404</b>      | <b>82,749</b>       | <b>76,206</b>       |
| <b>Current liabilities</b>                             |                     |                     |                     |                     |
| Trade payables   | 14,473              | 18,858              | -                   | -                   |
| Other payables   | 17,453              | 16,711              | 23,144              | 17,836              |
| Short-term bank loans                                  | 4,354               | 13,400              | -                   | -                   |
| Current portion of long-term bank loans                | 6,761               | 1,017               | 41                  | 59                  |
| Current portion of finance leases                      | 29                  | 1,110               | -                   | -                   |
| Due to shareholders                                    | 3,232               | 3,750               | 3,232               | 3,860               |
| <b>Total current liabilities</b>                       | <b>46,302</b>       | <b>54,846</b>       | <b>26,417</b>       | <b>21,755</b>       |
| <b>Non-current liabilities</b>                         |                     |                     |                     |                     |
| Due to shareholders                                    | 10,995              | 10,732              | 10,995              | 10,732              |
| Long-term bank loans                                   | 5,740               | 8,946               | -                   | 46                  |
| Finance leases   | 21                  | 424                 | -                   | -                   |
| <b>Total non-current liabilities</b>                   | <b>16,756</b>       | <b>20,102</b>       | <b>10,995</b>       | <b>10,778</b>       |
| <b>Capital, reserves and non-controlling interests</b> |                     |                     |                     |                     |
| Share capital  | 56,127              | 56,127              | 56,127              | 56,127              |
| Reserves   | (24,514)            | (17,815)            | (10,790)            | (12,454)            |
| Equity attributable to owners of the company           | 31,613              | 38,312              | 45,337              | 43,673              |
| Non-controlling interests                              | 7,307               | 7,144               | -                   | -                   |
| <b>Total equity</b>                                    | <b>38,920</b>       | <b>45,456</b>       | <b>45,337</b>       | <b>43,673</b>       |
| <b>Total liabilities and equity</b>                    | <b>101,978</b>      | <b>120,404</b>      | <b>82,749</b>       | <b>76,206</b>       |

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

Amount repayable in one year or less, or on demand

| As at 31/12/2013 |           | As at 31/12/2012 |           |
|------------------|-----------|------------------|-----------|
| Secured          | Unsecured | Secured          | Unsecured |
| \$'000           | \$'000    | \$'000           | \$'000    |
| 11,144           | 3,232     | 15,527           | 3,750     |

The amount repayable after one year

| As at 31/12/2013 |           | As at 31/12/2012 |           |
|------------------|-----------|------------------|-----------|
| Secured          | Unsecured | Secured          | Unsecured |
| \$'000           | \$'000    | \$'000           | \$'000    |
| 5,761            | 10,995    | 9,370            | 10,732    |

Details of any collaterals

The group's borrowings are primarily secured by personal guarantees from directors, pledged bank deposits, property, plant and equipment, land use rights and trade receivables.

1 (c) **Statements of Cash Flows for year / period ended 31 December**

|  | Group           |                | Group          |                |
|--|-----------------|----------------|----------------|----------------|
|  | 12 months ended |                | 3 months ended |                |
|  | 31/12/2013      | 31/12/2012     | 31/12/2013     | 31/12/2012     |
|  | \$'000          | \$'000         | \$'000         | \$'000         |
| <b>Operating Activities:</b>   |                 |                |                |                |
| Loss (Profit) before income tax from continuing operations                         | (6,075)         | (21,475)       | 959            | (12,130)       |
| Loss before income tax from discontinued operations                                | (1,733)         | (3,505)        | (1,367)        | 1,435          |
|  | (7,808)         | (24,980)       | (408)          | (10,695)       |
| Adjustments for:-  |                 |                |                |                |
| Depreciation of property, plant and equipment                                      | 11,758          | 13,672         | 3,124          | 3,695          |
| (Reversal) Impairment loss on property, plant and equipment                        | (63)            | 1,130          | (63)           | (33)           |
| Impairment of goodwill   | 2,144           | -              | 2,144          | -              |
| Property, plant and equipment written off  | 75              | 788            | -              | (17)           |
| Loss on disposal of property, plant and equipment                                  | 569             | 978            | 807            | 1,010          |
| (Reversal) Allowance for doubtful receivables                                      | (1,162)         | 251            | (1,162)        | 251            |
| Reversal on Allowance for inventory obsolescences                                  | (1,013)         | (383)          | (1,013)        | (383)          |
| Amortisation of land use rights  | 96              | 88             | 52             | 44             |
| Provision for loss on share buy-back   | 773             | 9,705          | 773            | 9,705          |
| Interest income  | (153)           | (121)          | (38)           | (20)           |
| Interest expense   | 1,174           | 1,635          | 97             | 317            |
| Net foreign exchange (gain) loss   | (4,795)         | 1,449          | (4,200)        | 5,664          |
| Operating profit before working capital changes                                    | 1,595           | 4,212          | 113            | 9,538          |
| Changes in working capital:-   |                 |                |                |                |
| Trade receivables  | 7,013           | (36)           | (1,211)        | (615)          |
| Other receivables and prepayments  | 127             | 364            | 701            | 588            |
| Inventories  | 2,358           | 2,232          | 717            | 220            |
| Trade payables   | (4,385)         | (1,316)        | 883            | (239)          |
| Other payables   | (31)            | (1,135)        | (443)          | 878            |
| Cash generated from operations   | 6,677           | 4,321          | 760            | 10,370         |
| Interest received  | 153             | 121            | 38             | 20             |
| Interest paid  | (1,174)         | (1,635)        | (97)           | (317)          |
| Income tax paid  | 674             | (9)            | 674            | (9)            |
| <b>Cash flows generated from operating activities</b>                              | <b>6,330</b>    | <b>2,798</b>   | <b>1,375</b>   | <b>10,064</b>  |
| <b>Investing Activities:</b>   |                 |                |                |                |
| Incorporation of associate   | (205)           | -              | 7              | -              |
| Proceeds on disposal of property, plant and equipment                              | 5,457           | 1,062          | 2,619          | 376            |
| Purchase of property, plant and equipment  | (2,917)         | (2,169)        | (1,400)        | (1,293)        |
| <b>Cash flows generated from (used in) investing activities</b>                    | <b>2,335</b>    | <b>(1,107)</b> | <b>1,226</b>   | <b>(917)</b>   |
| <b>Financing Activities:</b>   |                 |                |                |                |
| Decrease in pledged bank deposits  | (463)           | 413            | (609)          | 322            |
| Repayment of bank loans  | (13,426)        | (21,718)       | (2,035)        | (2,322)        |
| New bank loans raised  | 6,768           | 19,756         | 540            | 1,522          |
| Repayment to shareholders  | (1,123)         | (1,088)        | (100)          | (137)          |
| New loans from shareholders  | 2,586           | 2,476          | 2,260          | (545)          |
| Repayment of finance lease obligations   | (1,540)         | (1,723)        | (338)          | (317)          |
| New finance lease obligations  | -               | -              | -              | (96)           |
| <b>Cash flows used in financing activities</b>                                     | <b>(7,198)</b>  | <b>(1,884)</b> | <b>(282)</b>   | <b>(1,573)</b> |
| <b>Net increase (decrease) in cash and cash equivalents</b>                        | <b>1,467</b>    | <b>(193)</b>   | <b>2,319</b>   | <b>7,574</b>   |
| Cash and cash equivalents at beginning of period                                   | 17,395          | 17,872         | 16,640         | 9,971          |
| Effect of exchange rate changes on the balances of cash held in foreign currencies | 135             | (284)          | 38             | (150)          |
| <b>Cash and cash equivalents at end of year / period</b>                           | <b>18,997</b>   | <b>17,395</b>  | <b>18,997</b>  | <b>17,395</b>  |

1(d)(i) A statement for the issuer and the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statements of Changes in Equity for the financial year / period ended 31 December

|   | Share capital<br>\$'000 | Currency translation reserves<br>\$'000 | Hedging reserves<br>\$'000 | Statutory reserves<br>\$'000 | Equity reserves<br>\$'000 | Accumulated profits (losses)<br>\$'000 | Attributable to owners of the company<br>\$'000 | Non-controlling interests<br>\$'000 | Total<br>\$'000 |
|---|-------------------------|---|----------------------------|------------------------------|---------------------------|--|---|-------------------------------------|-----------------|
| <b>Group</b>                            |                         |   |                            |                              |                           |  |   |                                     |                 |
| <b>At 1 January 2012</b>                | <b>56,127</b>           | <b>(6,548)</b>                          | <b>-</b>                   | <b>7,750</b>                 | <b>(2,993)</b>            | <b>9,921</b>                           | <b>64,257</b>                                   | <b>9,059</b>                        | <b>73,316</b>   |
| Loss for the year                       | -                       | -                                       | -                          | -                            | -                         | (23,756)                               | (23,756)  | (1,224)                             | (24,980)        |
| Other comprehensive loss for the year   | -                       | (2,190)                                 | -                          | -                            | -                         | 1                                      | (2,189)   | (691)                               | (2,880)         |
| Total comprehensive loss for the year   | -                       | (2,190)                                 | -                          | -                            | -                         | (23,755)                               | (25,945)  | (1,915)                             | (27,860)        |
| <b>At 31 December 2012</b>              | <b>56,127</b>           | <b>(8,738)</b>                          | <b>-</b>                   | <b>7,750</b>                 | <b>(2,993)</b>            | <b>(13,834)</b>                        | <b>38,312</b>                                   | <b>7,144</b>                        | <b>45,456</b>   |
| <b>At 1 January 2012</b>                | <b>56,127</b>           | <b>(8,738)</b>                          | <b>-</b>                   | <b>7,750</b>                 | <b>(2,993)</b>            | <b>(13,834)</b>                        | <b>38,312</b>                                   | <b>7,144</b>                        | <b>45,456</b>   |
| Loss for the year                       | -                       | -                                       | -                          | -                            | -                         | (7,915)                                | (7,915)   | (677)                               | (8,592)         |
| Other comprehensive income for the year | -                       | 1,151                                   | -                          | -                            | -                         | 64                                     | 1,216   | 840                                 | 2,056           |
| Total comprehensive loss for the year   | -                       | 1,151                                   | -                          | -                            | -                         | (7,851)                                | (6,699)   | 163                                 | (6,536)         |
| Transfer to statutory reserves          | -                       | -                                       | -                          | 31                           | -                         | (31)                                   | -   | -                                   | -               |
| <b>At 31 December 2013</b>              | <b>56,127</b>           | <b>(7,586)</b>                          | <b>-</b>                   | <b>7,781</b>                 | <b>(2,993)</b>            | <b>(21,716)</b>                        | <b>31,613</b>                                   | <b>7,307</b>                        | <b>38,920</b>   |
| <b>Company</b>                          |                         |   |                            |                              |                           |  |   |                                     |                 |
| <b>At 1 January 2012</b>                | <b>56,127</b>           | <b>1,414</b>                            | <b>-</b>                   | <b>-</b>                     | <b>-</b>                  | <b>1,090</b>                           | <b>58,631</b>                                   | <b>-</b>                            | <b>58,631</b>   |
| Loss for the year                       | -                       | -                                       | -                          | -                            | -                         | (12,261)                               | (12,261)  | -                                   | (12,261)        |
| Other comprehensive loss for the year   | -                       | (2,697)                                 | -                          | -                            | -                         | -                                      | (2,697)   | -                                   | (2,697)         |
| Total comprehensive loss for the year   | -                       | (2,697)                                 | -                          | -                            | -                         | (12,261)                               | (14,958)  | -                                   | (14,958)        |
| <b>At 31 December 2012</b>              | <b>56,127</b>           | <b>(1,283)</b>                          | <b>-</b>                   | <b>-</b>                     | <b>-</b>                  | <b>(11,171)</b>                        | <b>43,673</b>                                   | <b>-</b>                            | <b>43,673</b>   |
| <b>At 1 January 2012</b>                | <b>56,127</b>           | <b>(1,283)</b>                          | <b>-</b>                   | <b>-</b>                     | <b>-</b>                  | <b>(11,171)</b>                        | <b>43,673</b>                                   | <b>-</b>                            | <b>43,673</b>   |
| Loss for the year                       | -                       | -                                       | -                          | -                            | -                         | (1,222)                                | (1,222)   | -                                   | (1,222)         |
| Other comprehensive income for the year | -                       | 2,886                                   | -                          | -                            | -                         | -                                      | 2,886   | -                                   | 2,886           |
| Total comprehensive income for the year | -                       | 2,886                                   | -                          | -                            | -                         | (1,222)                                | 1,664   | -                                   | 1,664           |
| <b>At 31 December 2013</b>              | <b>56,127</b>           | <b>1,603</b>                            | <b>-</b>                   | <b>-</b>                     | <b>-</b>                  | <b>(12,393)</b>                        | <b>45,337</b>                                   | <b>-</b>                            | <b>45,337</b>   |

- 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.

During 1 January 2013 to 31 December 2013, the Company did not issue any shares.

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

The total number of issued shares excluding treasury shares

| As at<br>31/12/2013 | As at<br>31/12/2012 |
|---------------------|---------------------|
| 570,000,000         | 570,000,000         |

- 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.

Not applicable.

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 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 adopted the same accounting policies and methods of computation for the current year consistent with those of the audited financial statements for the year ended 31 December 2012. In the current financial year, the Group has adopted all the new and revised Financial Reporting Standards ("FRSs") that are relevant to its operations and effective for annual periods beginning on 1 January 2013.

The adoption of these new and revised FRSs does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior years.

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 effect, of the change.

Not applicable.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year after deducting any provision for preference dividends.

**From continuing and discontinued operations:**

Earnings per share (cts):

(i) Basic

(ii) Diluted

**From continuing operations:**

Earnings per share (cts):

(i) Basic

(ii) Diluted

| Group           |            | Group          |            |
|-----------------|------------|----------------|------------|
| 12 months ended |            | 3 months ended |            |
| 31/12/2013      | 31/12/2012 | 31/12/2013     | 31/12/2012 |
|                 |            |                |            |
| (1.39)          | (4.17)     | (0.24)         | (1.82)     |
| (1.39)          | (4.17)     | (0.24)         | (1.82)     |
|                 |            |                |            |
| (1.08)          | (3.55)     | 0.03           | (2.13)     |
| (1.08)          | (3.55)     | 0.03           | (2.13)     |

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on; and (b) immediately preceding financial year.

Net asset value per ordinary share (cts)  
Number of shares

| Group               |                     | Company             |                     |
|---------------------|---------------------|---------------------|---------------------|
| As at<br>31/12/2013 | As at<br>31/12/2012 | As at<br>31/12/2013 | As at<br>31/12/2012 |
| 5.53                | 6.33                | 7.95                | 7.66                |
| 570,000,000         | 570,000,000         | 570,000,000         | 570,000,000         |

## 8. Review of the Group's performance

In December 2013, the management resolved to cease its laser drilling operation and disposed of its laser drilling machineries. In compliance with Singapore Financial Reporting Standard (FRS 105 - Non-current Assets Held for Sale and Discontinued Operations), certain figures of the prior periods have been represented to show the discontinued operation separately from continuing operations. Continuing operations are made up of PCB operations, mechanical drilling and routing services. Discontinued operation refers to laser drilling services.

Going forward, LGANG Optronics Technology Co., Ltd ("LGANG") will focus on embedded PCB manufacturing.

### Continuing Operations

#### Revenue

For the financial year ended 2013 ("FY13"), the Group reported revenue of \$65.8 million, a drop of 9% from \$72.1 million from the corresponding financial year ended 2012 ("FY12"). This was an across the board decrease in all segments. The most significant decrease was noted for PCB operations, followed by mechanical drilling segments. The decrease is due to weaker business sentiments.

However, for the three months ended 2013 ("4Q13"), the Group reported revenue of \$17.8 million, a slight increase of 1% from \$17.7 million from the corresponding period in 2012 ("4Q12").

#### PCB Operations

PCB operations continue to be the major contributor accounting for 85% of our Group's revenue for FY13. Revenue from PCB operations decreased by 9% from \$64.7 million in FY12 to \$59.0 million in FY13. The reduction was mainly due to weaker business sentiments.

On a quarterly basis, revenue from PCB operations decreased by 3% from \$15.8 million in 4Q12 to \$15.3 million in 4Q13.

#### Mechanical Drilling and Routing

Revenue from mechanical drilling and routing segment decreased slightly by 1% from \$6.8 million for FY12 to \$6.7 million for FY13. Mechanical drilling and routing segments are mainly made up of sub-contracted sales which are volatile to any fluctuations in market demands.

However, on a quarterly basis, revenue from mechanical drilling and routing segment increased by 27% from \$1.5 million in 4Q12 to \$1.9 million in 4Q13.

#### Geographical Markets

China operations remained as the key contributor to Group's revenue for 2013. Proportion of revenue from China operations increased significantly by 6% from 93% in 3Q13 to 99% in 4Q13. This was due to the cessation of laser drilling segment.

### Profitability

#### Gross Profit

Gross profit improved from \$2.4 million in FY12 to \$3.8 million in FY13. This improvement was brought about by PCB operations with more efficient cost management.

Similarly, on a quarterly basis, gross profit increased from \$1.2 million in 4Q12 to \$3.2 million in 4Q13.

### Expenses

#### Other Income

Other income of \$3.4 million in FY13 was mainly made up of net exchange gain of \$2.2 million and scrap sales of \$1 million. In FY12, a net exchange loss of \$0.4 million was incurred and reclassified under other expense accordingly. Scrap sales in FY12 amounts to \$0.7 million.

#### Administrative Expenses

Administrative expenses decreased by \$1.7 million from \$9.6 million in FY12 to \$7.9 million in FY13. This is in line with the decrease in sales, coupled with better cost management.

#### Distribution Costs

Distribution costs comprise mainly sales commission payable to sales representatives in processing sales for PCB manufacturing and related delivery costs.

Distribution costs decreased by 13% from \$3.2 million in FY12 to \$2.7 million in FY13. This decrease was mainly due to drop in sales commission payable to sales representatives in processing sales for PCB manufacturing.

#### Other Expenses

Other expenses of \$3.6 million comprises mainly of net loss on disposal of machinery of \$0.6 million for FY13 and additional provision made for loss in share buy-back for Hongta Innovation Partners Co., Ltd ("Hongta") of \$0.8 million.

For FY12, \$10.7 million of other expenses consists of a one-time off \$9.7 million of provision made for loss in share buy-back from Hongta. Provision for loss on share buy-back was made after assessing on the probability of meeting the share buy-back requirements as stated in the Sales and Purchase Agreements signed in 2007 and 2010.

#### Finance Costs

Finance costs remain constant at \$1.2 million for FY12 and FY13.

### Discontinued Operations

Discontinued operations pertain to the discontinued laser drilling segment. In FY13, laser drilling segment made a net loss after tax of \$1.8 million, out of which consists of net gain on disposal of machinery amounted to \$2.9 million and impairment on goodwill of \$2.1 million on LGANG Optronics Technology Co., Ltd.

## Balance Sheet

The Group's cash and bank balances increased from \$17.4 million at FY12 to \$19 million at FY13. Pledged bank deposits increased from \$0.1 million in FY12 to \$0.6 million in FY13.

Trade receivables decreased by \$5.8 million from \$28.4 million in FY12 to \$22.6 million in FY13 due to lower revenue whilst trade receivables turnover days decreased from 132 days in FY12 to 119 days in FY13. Trade receivables are assessed for provision on a case-by-case basis annually.

Goodwill of \$2.1 million pertaining to LGANG Optronics Technology Co., Ltd was impaired during the year.

Other receivables and prepayments remain constant as at FY12 and FY13. Other receivables and prepayments mainly comprise of prepaid operating expenses, such as utilities, insurance, maintenance expense, etc.

Plant and equipment classified as held for sale comprises of laser drilling machineries which are expected to be sold within the next twelve months upon cessation of laser drilling services.

The decrease in inventory level from \$6.0 million at FY12 to \$4.6 million at FY13 was mainly due to lower revenue expected in the month of January.

The decrease in property, plant and equipment arises mainly from depreciation of \$11.8 million.

The decrease of \$4.4 million in trade payables was in line with the decrease in inventory level and sales in FY13.

Other payables increased by \$0.7 million from \$16.7 million in FY12 to \$17.4 million FY13 due to the additional provision made for loss in share buy-back for Hongta of \$0.8 million.

Amount due to shareholders decreased by \$0.3 million from \$14.5 million at FY12 to \$14.2 million at FY13 mainly due to more repayment to shareholders in FY13.

Total gross borrowings had also reduced by \$8 million from \$24.9 million at FY12 to \$16.9 million at FY13. This was due to repayments of bank loans and finance leases. In addition, the Group had re-financed some of the bank borrowings and extending repayment terms for loans due to shareholders

The Group's net working capital improved from a net current liabilities position of \$0.5 million in FY12 to net current asset position of \$6.3 million in FY13.

As at FY12, the Group's current ratio (current assets/current liabilities) and debt/equity ratio are 1.1 and 1.6 respectively (FY12: 1.0 and 1.7 respectively). The Group's equity (net assets) stands at \$41.1 million.

## Cash Flow

Cash inflow from operating activities of \$1.4 million in 4Q13 was mainly brought about by improvement in trade receivables collectability and decrease in inventories.

Cash flow generated from investing activities of \$1.2 million in 4Q13 was mainly from proceeds from disposal of laser drilling machineries, partially offset with additions of new machineries for embedded PCB technology.

Cash flow used in financing activities of \$0.3 million in 4Q13 was mainly due to repayment of bank loans and finance lease obligations.

Cash and bank balances increased by \$1.6 million from \$17.4 million in 4Q12 to \$19 million in 4Q13.

## 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 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.

Management will continue to remain cautious and conservative in its outlook, bearing in mind the renewed uncertainties in the global financial markets and signs of instabilities in many parts of the world.

11. Dividend

11(a) Any dividend declared for the current financial period reported on?

None

11(b) Any dividend declared for the corresponding period of the immediately preceding financial year?

None

11(c) Date payable

Not applicable

11(d) Books closure date

Not applicable

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

No dividend has been declared for the fourth quarter ended 31 December 2013.

**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.

(a) Analysis by Reportable Segment

Segment revenue and expense are revenue and expense reported in the group's profit or loss that are either directly attributable to a segment or can be allocated on a reasonable basis to a segment.

Segment assets are all operating assets that are employed by a segment in its operating activities and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment assets exclude interest-producing assets.

Segment liabilities are all operating liabilities of a segment and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment liabilities exclude interest-bearing liabilities and income tax liabilities.

Information regarding the group's reportable segments prepared based on measurement principles of FRS is presented below.

| Revenue and Expenses<br>(by business segments) | Continuing Operations                    |         |                |         | Discontinued Operations |          |                         |         | Total   |          |
|--|--|---------|----------------|---------|-------------------------|----------|-------------------------|---------|---------|----------|
|  | Mechanical Drilling and Routing Services |         | PCB operations |         | Total                   |          | Laser Drilling Services |         | Total   |          |
|  | 2013                                     | 2012    | 2013           | 2012    | 2013                    | 2012     | 2013                    | 2012    | 2013    | 2012     |
| Segment revenue to external parties            | 6,751                                    | 6,838   | 59,038         | 65,246  | 65,789                  | 72,084   | 3,481                   | 6,412   | 69,270  | 78,496   |
| Segment results                                | (5,190)                                  | (4,125) | (445)          | (4,235) | (5,635)                 | (8,360)  | (4,111)                 | (3,741) | (9,746) | (12,101) |
| Other income                                   |  |         |                |         | 3,391                   | 802      | 2,613                   | 56      | 6,004   | 858      |
| Unallocated corporate expenses                 |  |         |                |         | (2,657)                 | (12,102) | -                       | -       | (2,657) | (12,102) |
| Finance costs                                  |  |         |                |         | (1,174)                 | (1,246)  | (235)                   | (389)   | (1,409) | (1,635)  |
| Loss before income tax                         |  |         |                |         | (6,075)                 | (21,475) | (1,733)                 | (3,505) | (7,808) | (24,980) |
| Income tax expense                             |  |         |                |         | (761)                   | -        | (23)                    | -       | (784)   | -        |
| Net loss attributable to the Group             |  |         |                |         | (6,836)                 | (21,475) | (1,756)                 | (3,505) | (8,592) | (24,980) |



| Assets and Liabilities                           |        |        |         |        |         |         |       |        |         |         |  |
|--|--------|--------|---------|--------|---------|---------|-------|--------|---------|---------|--|
| Segment assets                                   | 22,004 | 24,899 | 69,880  | 73,217 | 91,884  | 98,116  | 7,747 | 18,121 | 99,631  | 116,237 |  |
| Unallocated corporate assets                     |        |        |         |        | 2,348   | 4,167   | -     | -      | 2,348   | 4,167   |  |
| Consolidated total assets                        |        |        |         |        | 94,232  | 102,283 | 7,747 | 18,121 | 101,978 | 120,404 |  |
| Segment liabilities                              | 3,186  | 2,788  | 29,237  | 33,741 | 32,423  | 36,529  | 3,146 | 11,377 | 35,569  | 47,906  |  |
| Unallocated corporate liabilities                |        |        |         |        | 27,489  | 27,042  | -     | -      | 27,489  | 27,042  |  |
| Consolidated total liabilities                   |        |        |         |        | 59,912  | 63,571  | 3,146 | 11,377 | 63,058  | 74,948  |  |
| Additions to non-current assets:                 |        |        |         |        |         |         |       |        |         |         |  |
| - Property, plant and equipment                  | 784    | 60     | 1,396   | 1,958  | 2,180   | 2,018   | 737   | 151    | 2,917   | 2,169   |  |
| Property, plant and equipment written off        | 63     | 647    | 12      | 16     | 75      | 663     | -     | 125    | 75      | 788     |  |
| Depreciation                                     | 3,719  | 4,088  | 6,722   | 6,610  | 10,441  | 10,698  | 1,303 | 2,960  | 11,744  | 13,658  |  |
| Amortisation of land use rights (Reversal)       | 9      | 9      | 87      | 79     | 96      | 88      | -     | -      | 96      | 88      |  |
| Allowance for inventories (Reversal)             | -      | -      | (1,013) | (810)  | (1,013) | (810)   | -     | 427    | (1,013) | (383)   |  |
| Allowance for doubtful debts (Reversal)          | 3      |        | (1,165) | 251    | (1,162) | 251     | -     | -      | (1,162) | 251     |  |
| Impairment loss on property, plant and equipment | (63)   | 1,130  | -       | -      | (63)    | 1,130   | -     | -      | (63)    | 1,130   |  |
| Impairment loss for goodwill                     | -      | -      | -       | -      | -       | -       | -     | -      | -       | -       |  |
| Unallocated corporate expenditure:               |        |        |         |        |         |         |       |        |         |         |  |
| Depreciation                                     |        |        |         |        |         |         |       |        | 14      | 14      |  |

(b) Analysis by Geographical Information

Segment revenue is analysed based on the location of customers.

Total revenue and non-current assets (excluding financial assets, deferred tax assets and goodwill) are analysed based on the location of those assets.

| Revenue<br>(by geographical segments) | Continuing Operations      |        |           |      |        |        | Discontinued Operation |       | Total  |        |
|---------------------------------------|----------------------------|--------|-----------|------|--------|--------|------------------------|-------|--------|--------|
|                                       | People's Republic of China |        | Singapore |      | Total  |        | Taiwan                 |       | Total  |        |
|                                       | 2013                       | 2012   | 2013      | 2012 | 2013   | 2012   | 2013                   | 2012  | 2013   | 2012   |
| Segment revenue                       | 65,789                     | 72,084 | -         | -    | 65,789 | 72,084 | 3,481                  | 6,412 | 69,270 | 78,496 |
| Segment non-current assets            | 41,781                     | 51,057 | 740       | 708  | 42,521 | 51,765 | 4,983                  | 9,365 | 47,504 | 61,130 |

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

Not applicable

15. A breakdown of sales as follows:

|   | Group           |          |           |
|---|-----------------|----------|-----------|
|   | 12 months ended |          | Inc/(Dec) |
|   | 31/12/13        | 31/12/12 |           |
|   | \$'000          | \$'000   | %         |
| Sales reported from continuing operations for the first half year | 32,281          | 33,902   | (5)       |
| Net (loss) profit from continuing operations for first half year  | (5,072)         | (5,846)  | 13        |
| Sales reported from continuing operations for second half year    | 33,508          | 38,182   | (12)      |
| Net loss from continuing operations for second half year          | (1,764)         | (15,629) | 89        |

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

Not applicable

17. Interested party transactions

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

During the financial period, there were related parties transactions based on terms agreed between the parties as follows:-

| Name of interested person   | Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$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 \$100,000) |
|---|---|---|
| Loan guarantees provided by Mr Wen Yao-Long, Mr Wen Yao-Chou, Ms Chan Hui-Chung to various financial institutions to secure credit facilities for the Group | Total facilities granted as at 31.12.2013: \$23.0 million<br><br>Amount outstanding as at 31.12.2013: \$12.1 million  | -   |
| Loan from Sunny Worldwide Int'l Ltd (Amount outstanding as at 31.12.2013 is \$7.9 million)  | Interest for the 12 months ended 31.12.2013: \$0.26 million   | -   |
| Loan from Mr Wen Yao-Long (Amount outstanding as at 31.12.2013 is \$5.6 million)  | Interest -free loan   | -   |
| Loan from Mr Wen Yao-Chou (Amount outstanding as at 31.12.2013 is \$0.7 million)  | Interest -free loan   | -   |

Except for the above, there was no other interested person transaction, as defined in Chapter 9 of the Listing Manual of the SGX-ST, entered into the Group or by the Company during the financial period ended 31 December 2013.

18. Disclosure of persons occupying managerial positions in the Group, are relatives of the following Director, Chief Executive Officer and Substantial Shareholder of the Company

| Name           | Age | Family relationship with the CEO, any director and/or substantial shareholder | Current position and duties, and the year the position was first held  | Details of changes in duties and position held, if any, during the year |
|----------------|-----|---|--|---|
| Wen Yao-Chou   | 54  | Brother of Wen Yao-Long, Executive Chairman and Chief Executive Officer       | Executive Director since January 2003. He is the co-founder of the Group.<br><br>His responsibilities in the Group include :-<br>1) business development and strategic planning; and<br>2) sales & marketing functions.<br><br>He also heads the operations of the manufacturing plant in Taiwan, LGANG Optronics Technology Co., Ltd since March 2009, which include sales and marketing, and production functions. | N.A.  |
| Chan Hui Chung | 47  | Wife of Wen Yao-Long, Executive Chairman and Chief Executive Officer          | Vice General Manager of Shanghai Zhuo Kai Electronic Technology Co., Ltd ("Shanghai Zhuo Kai") since January 2004.<br><br>She assists the General Manager in the operations and is responsible for the financial function at Shanghai Zhuo Kai since January 2004.<br><br>She also manages the financial functions for all China subsidiaries since November 2008.   | N.A.  |

BY ORDER OF THE BOARD

Wen Yao-Long  
Executive Chairman & CEO  
25 February 2014