

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		
	3 months ended		Fav/ (Unfav)
	31/3/2014	31/3/2013	
	\$'000	\$'000	%
Revenue	12,888	17,921	(28)
Cost of sales	(11,879)	(17,528)	32
Gross profit	1,009	393	157
Gross margin	7.8%	2.2%	
Other income (including interest income)	724	781	(7)
Administrative expenses	(2,942)	(2,624)	(12)
Distribution costs	(398)	(479)	17
Other expenses	(394)	(695)	43
Finance costs	(291)	(375)	22
Loss before income tax	(2,292)	(2,999)	24
Income tax expense	-	-	-
Net loss for the period	(2,292)	(2,999)	24
Attributable to:			
Equity holders of the parent	(2,173)	(2,696)	19
Non-controlling interest	(119)	(303)	61
	(2,292)	(2,999)	
Statement of comprehensive income			
Net loss for the period	(2,292)	(2,999)	24
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation	(1,023)	406	NM
Other comprehensive loss for the period	(1,023)	406	
Total comprehensive loss for the period	(3,315)	(2,593)	(28)
Total comprehensive loss attributable to:			
Equity holders of the parent	(2,826)	(2,524)	(12)
Non-controlling interest	(489)	(69)	(609)
	(3,315)	(2,593)	(28)

NM: Not meaningful

Net loss for the period as a percentage of revenue

-17.8%

-16.7%

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

Depreciation of property, plant and equipment	2,353	2,967
Amortisation of land use rights	22	22
Foreign exchange loss (gain)	(713)	(1,224)
Fixed assets written off	-	69
(Gain) Loss on disposal of property, plant and equipment	(464)	673
Interest income	(43)	(28)
Interest expense	291	375

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 sheet

	Group		Company	
	As at 31/3/2014	As at 31/12/2013	As at 31/3/2014	As at 31/12/2013
	\$'000	\$'000	\$'000	\$'000
Current assets				
Cash and cash equivalents	18,477	18,997	68	459
Pledged bank deposits	103	609	-	-
Trade receivables	18,082	22,560	-	-
Other receivables and prepayments	2,409	2,300	7,661	9,601
Assets classified as held for sale	2,785	3,332	-	-
Land use rights	93	96	-	-
Inventories	4,436	4,635	-	-
Total current assets	46,385	52,529	7,729	10,060
Non-current assets				
Investment in subsidiaries	-	-	69,886	71,949
Investment in associate	200	205	-	-
Land use rights	3,895	4,034	-	-
Property, plant and equipment	40,154	43,265	715	740
Other receivables	1,004	1,244	-	-
Goodwill	82	82	-	-
Deferred tax asset	604	619	-	-
Total non-current assets	45,939	49,449	70,601	72,689
Total assets	92,324	101,978	78,330	82,749
Current liabilities				
Trade payables	11,671	14,466	-	-
Other payables	5,866	6,983	10,983	12,667
Provision	10,479	10,479	10,479	10,479
Short-term bank loans	4,818	4,354	-	-
Current portion of long-term bank loans	5,914	6,761	27	41
Current portion of finance leases	29	29	-	-
Due to shareholders	1,813	3,230	1,813	3,230
Total current liabilities	40,590	46,302	23,302	26,417
Non-current liabilities				
Due to shareholders and related party	12,061	10,995	12,061	10,995
Long-term bank loans	4,055	5,740	-	-
Finance leases	13	21	-	-
Total non-current liabilities	16,129	16,756	12,061	10,995
Capital, reserves and non-controlling interests				
Share capital	56,127	56,127	56,127	56,127
Reserves	(27,340)	(24,514)	(13,160)	(10,790)
Equity attributable to equity holders of the company	28,787	31,613	42,967	45,337
Non-controlling interest	6,818	7,307	-	-
Total equity	35,605	38,920	42,967	45,337
Total liabilities and equity	92,324	101,978	78,330	82,749

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 31/3/2014		As at 31/12/2013	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
10,761	1,813	11,144	3,230

The amount repayable after one year

As at 31/3/2014		As at 31/12/2013	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
4,068	12,061	5,761	10,995

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) **Cash Flow Statement for period ended 31 March**

Operating Activities:

Loss before Income Tax:	
Adjustments for:-	
Depreciation of property, plant and equipment	
Amortisation of land use rights	
Property, plant and equipment written off	
Interest income	
Interest expense	
Net foreign exchange gain	
(Gain) Loss on disposal of property, plant and equipment	
Operating loss before working capital changes	

Changes in working capital:-

Trade receivables	
Other receivables and prepayments	
Inventories	
Trade payables	
Other payables	
Cash generated from (used in) operations	
Net interest paid	
Income tax paid	

Cash flows used in operating activities

Investing Activities:

Proceeds on disposal of property, plant and equipment	
Purchase of property, plant and equipment	

Cash flows generated from investing activities

Financing Activities:

Decrease (Increase) in pledged bank deposits	
Repayment of bank loans	
New bank loans raised	
Repayment to shareholders	
New loans from shareholders	
Repayment of finance lease obligations	

Cash flows used in financing activities

Net decrease in cash and cash equivalents

Cash and cash equivalents at beginning of period	
Effect of exchange rate changes on the balances of cash held in foreign currencies	

Cash and cash equivalents at end of period

Group	
3 months ended	
31/3/2014	31/3/2013
\$'000	\$'000
(2,292)	(2,999)
2,353	2,967
22	22
-	69
(43)	(28)
291	375
(713)	(1,224)
(464)	673
(846)	(145)
4,478	2,289
131	(594)
199	(250)
(2,795)	(1,617)
(1,117)	(1,382)
50	(1,699)
(248)	(347)
-	-
(198)	(2,046)
1,419	2,168
(249)	(424)
1,170	1,744
506	(254)
(3,926)	(8,218)
2,221	5,208
(278)	(214)
-	127
(8)	(364)
(1,485)	(3,715)
(513)	(4,017)
18,997	17,395
(7)	31
18,477	13,409

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.

Statement of Changes in Equity for the financial year ended 31 March

	Share capital \$'000	Currency translation reserves \$'000	Statutory reserves \$'000	Equity reserves \$'000	Accumulated profits (losses) \$'000	Total attributable to equity holders of the company \$'000	Minority interests \$'000	Total \$'000
<u>Group</u>								
At 1 January 2013	56,127	(8,737)	7,750	(2,993)	(13,835)	38,312	7,144	45,456
Loss for the period	-	-	-	-	(2,696)	(2,696)	(303)	(2,999)
Other comprehensive income for the period	-	172	-	-	-	172	234	406
Total	-	172	-	-	(2,696)	(2,524)	(69)	(2,593)
At 31 March 2013	56,127	(8,565)	7,750	(2,993)	(16,531)	35,788	7,075	42,863
At 1 January 2014	56,127	(7,585)	7,781	(2,993)	(21,717)	31,613	7,307	38,920
Loss for the period	-	-	-	-	(2,173)	(2,173)	(119)	(2,292)
Other comprehensive loss for the period	-	(653)	-	-	-	(653)	(370)	(1,023)
Total	-	(653)	-	-	(2,173)	(2,826)	(489)	(3,315)
At 31 March 2014	56,127	(8,238)	7,781	(2,993)	(23,890)	28,787	6,818	35,605
<u>Company</u>								
At 1 January 2013	56,127	(1,283)	-	-	(11,171)	43,673	-	43,673
Profit for the period	-	-	-	-	8	8	-	8
Other comprehensive income for the period	-	801	-	-	-	801	-	801
Total	-	801	-	-	8	809	-	809
At 31 March 2013	56,127	(482)	-	-	(11,163)	44,482	-	44,482
At 1 January 2014	56,127	1,603	-	-	(12,393)	45,337	-	45,337
Loss for the period	-	-	-	-	(1,089)	(1,089)	-	(1,089)
Other comprehensive loss for the period	-	(1,281)	-	-	-	(1,281)	-	(1,281)
Total	-	(1,281)	-	-	(1,089)	(2,370)	-	(2,370)
At 31 March 2014	56,127	322	-	-	(13,482)	42,967	-	42,967

- 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 2014 to 31 March 2014, 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 31/3/2014	As at 31/12/2013
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 2013. 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 2014.

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.

Earnings per ordinary share for the year based on net profit/(loss) for the period:

(i) Based on the weighted average number of ordinary shares in issue (cts); and
Weighted average number of shares

(ii) On a fully diluted basis (cts)
Weighted average number of shares

Group	
3 months ended	
31/3/2014	31/3/2013
(0.38)	(0.47)
570,000,000	570,000,000
(0.38)	(0.47)
570,000,000	570,000,000

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 31/3/2014	As at 31/12/2013	As at 31/3/2014	As at 31/12/2013
5.04	5.53	7.54	7.95
570,000,000	570,000,000	570,000,000	570,000,000

8. Review of the Group's performance

Revenue

For the three months ended 2014 ("1Q14"), the Group reported revenue of \$12.9 million, a decrease of 28% from \$17.9 million from the corresponding period in 2013 ("1Q13"). It is a decrease in revenue for all segments with laser drilling segment showing the largest percentage decrease of 74%. The Group had ceased its laser drilling operation in early 2014.

PCB Operations

PCB operations continue to be the major contributor accounting for 89% of our Group's revenue in 1Q14. Revenue from PCB operations decreased by 26% from \$15.5 million in 1Q13 to \$11.4 million 1Q14. This decrease is due to stricter customer selection in place where sales with low profit margins will be discontinued.

Mechanical Drilling and Routing

Revenue from Mechanical drilling and Routing segment decreased by 8% from \$1.2 million in 1Q13 to \$1.1 million in 1Q14. Mechanical drilling and routing segments are mainly made up of sub-contracted sales which are volatile to any fluctuations in market demands.

Laser Drilling

Revenue from Laser drilling segment decreased by 75% from \$1.2 million in 1Q13 to \$0.3 million in 1Q14. This is due to the cessation of laser drilling operation in early 2014.

Geographical Markets

China operations remained as the key contributor to Group's revenue in 1Q14. Proportion of revenue from China operations increased by 3% from 95% in 1Q13 to 98% in 1Q14.

Profitability

Gross Profit

There is an improvement in gross profit where a gross profit of \$1.0 million was generated in 1Q14 as compared to \$0.4 million in 1Q13. Other than PCB operations which posted a gross profit of \$2.1 million, Mechanical drilling and Laser drilling segment recorded a total gross loss of \$1.1 million. The gross loss from Mechanical drilling and Laser drilling is mainly a result of revenue generated for month of January and February being lesser than the fixed manufacturing expenses such as labour cost, electricity and depreciation.

Expenses

Other Income

Disposal gain or loss from sale of plant and machinery and exchange difference are classified accordingly between other income or other expenses based on the net effect in that financial period.

The slight decrease in other income was mainly due to a lower net gain on disposal of plant and machinery in 1Q14 as compared to 1Q13.

Administrative Expenses

The slight increase in administrative expenses was mainly due to increase in labour costs, research and development costs.

Distribution Costs

Distribution costs improved by 17% from \$0.5 million in 1Q13 to \$0.4 million in 1Q14. This decrease was mainly due to decrease in sales commission payable to sales representatives in processing sales for PCB manufacturing which is line with the with the decrease in PCB revenue.

Other Expenses

Disposal gain or loss from sale of plant and machinery and exchange difference are classified accordingly between other income or other expenses based on the net effect in that financial period.

The decrease in other expenses by \$0.3 million was mainly due to a net loss on disposal of fixed assets of \$0.7 million incurred in 1Q13 as compared to a net exchange loss of \$0.4 million incurred in 1Q14.

Finance Costs

There is a slight decrease in finance cost from \$0.4 million in 1Q13 to \$0.3 million in 1Q14. This decrease is mainly due to lesser bank borrowings.

Balance Sheet

The Group's cash and bank balances decreased from \$19.0 million at 4Q13 to \$18.5 million at 1Q14. Pledged bank deposits decreased from \$0.6 million in 4Q13 to \$0.1 million in 1Q14.

The decrease in trade receivables of \$4.5 million is mainly due to drop in quarterly sales of 1Q14 against 4Q13. Trade receivable's credit period ranges from 45 days to 150 days. Trade receivables turnover days increased slightly from 119 days to 126 days from 4Q13 to 1Q14.

Other receivables and prepayments decreased slightly by \$0.1 million from \$3.5 million at 4Q13 to \$3.4 million at 1Q14. It is the norm for our China subsidiaries for expenses to be prepaid at the beginning of each financial year, prior to expensing it on a monthly basis. 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 slight decrease in inventory level from \$4.6 million at 4Q13 to \$4.4 million at 1Q14 was mainly due to lesser sales orders expected in 2nd quarter of 2014.

The decrease in property, plant and equipment arises mainly from depreciation of \$2.4 million.

The decrease of \$2.8 million in trade payables was mainly due to the decline in inventory purchase in previous quarter. Credit terms provided by suppliers are generally 3 months.

The decrease of \$1.1 million in other payables was mainly due to payout of accrued audit fees, bonuses as well as decrease in net VAT payables.

Total gross borrowings was reduced by \$2.4 million from \$31.1 million at 4Q13 to \$28.7 million at 1Q14. This was due to repayments of bank loans and finance leases.

The Group's net working capital position decreased from a \$6.2 million net asset position for 4Q13 to a \$5.8 million net asset position for 1Q14.

As at 1Q14, the Group's current ratio (current assets/current liabilities) and debt/equity ratio are 1.14 and 2.0 respectively. The Group's equity (net assets) stands at \$35.6 million.

Cash Flow

A net cash outflow from operating activities was noted for 1Q14. This cash outflow was mainly due to increase in payment to trade payables and other payables.

Cash flow generated from investing activities was mainly due to receipts from sales of 6 laser drilling machineries by LGANG Optronics Technology Co., Ltd.

Cash flow used in financing activities of \$1.5 million in 1Q14 was mainly due to repayment of loan borrowings and amount due to shareholders.

Cash and bank balances improved by \$5.1 million from \$13.4 million in 1Q13 to \$18.5 million in 1Q14.

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.

Pursuant to our 1Q13 announcement on the series of internal restructuring carried out to prepare for PCB manufacturing via embedded PCB technology, we had begun productions to fulfil small orders received for PCB products manufactured via embedded PCB technology.

However, 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 first quarter ended 31 March 2014.

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 business or geographical segments.

Not applicable

15. A breakdown of sales as follows:

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 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 year, 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 31.3.2014: \$18.8 million Amount outstanding as at 31.3.2014: \$11.9 million	-
Loan from Sunny Worldwide Int'l Ltd (Amount outstanding as at 31.3.2014 is \$7.9 million)	Interest for the 3 months ended 31.3.2014: \$0.07 million	-
Loan from Mr Wen Yao-Long (Amount outstanding as at 31.3.2014 is \$5.4 million)	Interest -free loan	-
Loan from Mr Wen Yao-Chou (Amount outstanding as at 31.03.2014 is \$0.6 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 March 2013.

BY ORDER OF THE BOARD

Wen Yao-Long
Executive Chairman & CEO
24 April 2014