

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		
	6 months ended		Fav/ (Unfav) %	3 months ended		Fav/ (Unfav) %
	30/6/2014	30/6/2013		30/6/2014	30/6/2013	
	\$'000	\$'000		\$'000	\$'000	
Revenue	26,562	34,271	(22)	13,674	16,350	(16)
Cost of sales	(23,846)	(34,548)	31	(11,967)	(17,020)	30
Gross profit (loss)	2,716	(277)	NM	1,707	(670)	NM
<i>Gross margin</i>	<i>10.2%</i>	<i>-0.8%</i>		<i>12.5%</i>	<i>-4.1%</i>	
Other income (including interest income)	459	2,160	(79)	199	1,379	(86)
Administrative expenses	(5,602)	(5,340)	(5)	(2,660)	(2,716)	2
Distribution costs	(804)	(1,017)	21	(406)	(538)	25
Other expenses	(729)	(38)	(1,818)	129	657	(80)
Finance costs	(545)	(722)	25	(254)	(347)	27
Loss before income tax	(4,505)	(5,234)	14	(2,213)	(2,235)	1
Income tax expense	-	-	-	-	-	-
Net loss for the period	(4,505)	(5,234)	14	(2,213)	(2,235)	1
Attributable to:						
Equity holders of the parent	(4,342)	(4,513)	4	(2,169)	(1,817)	(19)
Non-controlling interest	(163)	(721)	77	(44)	(418)	89
	(4,505)	(5,234)		(2,213)	(2,235)	
Statement of comprehensive income						
Net loss for the period	(4,505)	(5,234)	14	(2,213)	(2,235)	1
Other comprehensive income:						
Foreign currency translation	(1,184)	1,563	NM	(161)	1,157	NM
Other comprehensive (loss) profit for the period	(1,184)	1,563		(161)	1,157	
Total comprehensive loss for the period	(5,689)	(3,671)	(55)	(2,374)	(1,078)	(120)
Total comprehensive loss attributable to:						
Equity holders of the parent	(5,013)	(3,593)	(40)	(2,187)	(1,069)	(105)
Non-controlling interest	(676)	(78)	(767)	(187)	(9)	(1,978)
	(5,689)	(3,671)	(55)	(2,374)	(1,078)	(120)

NM: Not meaningful

Net loss for the period as a percentage of revenue -17.0% -15.3% -16.2% -13.7%

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

Reversal of impairment of property, plant and equipment	(832)	-	(832)	-
Depreciation of property, plant and equipment	4,115	5,781	1,762	2,814
Amortisation of land use rights	44	44	22	22
Fixed assets written off	4	73	4	4
Foreign exchange loss	240	73	953	1,298
(Gain) Loss on disposal of property, plant and equipment	(167)	(237)	297	(910)
Interest income	(48)	(59)	(5)	(31)
Interest expense	545	722	254	347

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 30/6/2014 \$'000	As at 31/12/2013 \$'000	As at 30/6/2014 \$'000	As at 31/12/2013 \$'000
Current assets				
Cash and bank balances	21,648	18,997	291	459
Pledged bank deposits	-	609	-	-
Trade receivables	16,127	22,560	-	-
Other receivables and prepayments	2,400	2,300	6,882	9,601
Assets classified as held for sale	-	3,332	-	-
Land use rights	92	96	-	-
Inventories	5,282	4,635	-	-
Total current assets	45,549	52,529	7,173	10,060
Non-current assets				
Investment in subsidiaries	-	-	69,096	71,949
Investment in associate	202	205	-	-
Land use rights	3,828	4,034	-	-
Property, plant and equipment	38,536	43,265	709	740
Other receivables	680	1,244	-	-
Goodwill	82	82	-	-
Deferred tax asset	609	619	-	-
Total non-current assets	43,937	49,449	69,805	72,689
Total assets	89,486	101,978	76,978	82,749
Current liabilities				
Trade payables	11,986	14,466	-	-
Other payables	3,199	6,983	9,065	12,667
Provision	10,479	10,479	10,479	10,479
Short-term bank loans	4,635	4,354	-	-
Current portion of long-term bank loans	5,836	6,761	12	41
Current portion of finance leases	30	29	-	-
Due to shareholders	1,482	3,230	1,482	3,230
Total current liabilities	37,647	46,302	21,038	26,417
Non-current liabilities				
Due to shareholders	14,614	10,995	14,614	10,995
Long-term bank loans	3,989	5,740	-	-
Finance leases	5	21	-	-
Total non-current liabilities	18,608	16,756	14,614	10,995
Capital, reserves and non-controlling interests				
Share capital	56,127	56,127	56,127	56,127
Reserves	(29,527)	(24,514)	(14,801)	(10,790)
Equity attributable to equity holders of the company	26,600	31,613	41,326	45,337
Non-controlling interest	6,631	7,307	-	-
Total equity	33,231	38,920	41,326	45,337
Total liabilities and equity	89,486	101,978	76,978	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 30/6/2014		As at 31/12/2013	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
10,501	1,482	11,144	3,230

The amount repayable after one year

As at 30/6/2014		As at 31/12/2013	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
3,994	14,614	5,761	10,995

Details of any collaterals

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

1 (c) **Statements of Cash Flows for period ended 30 June**

	Group		Group	
	6 months ended		3 months ended	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
	\$'000	\$'000	\$'000	\$'000
Operating Activities:				
Loss before Income Tax:	(4,505)	(5,234)	(2,213)	(2,235)
Adjustments for:-				
Depreciation of property, plant and equipment	4,115	5,781	1,762	2,814
Amortisation of land use rights	44	44	22	22
Reversal of impairment of property, plant and equipment	(832)	-	(832)	-
Fixed assets written off	4	73	4	4
Interest income	(48)	(59)	(5)	(31)
Interest expense	545	722	254	347
Foreign exchange loss	240	73	953	1,298
(Gain) Loss on disposal of property, plant and equipment	(167)	(237)	297	(910)
Operating (loss) gain before working capital changes	(604)	1,163	242	1,309
Changes in working capital:-				
Trade receivables	6,433	7,027	1,955	4,738
Other receivables and prepayments	464	(1,048)	333	(454)
Inventories	(647)	623	(846)	873
Trade payables	(2,480)	(3,136)	315	(1,519)
Other payables	(3,784)	(1,287)	(2,667)	95
Cash (used in) generated from operations	(618)	3,342	(668)	5,042
Net interest paid	(497)	(663)	(249)	(316)
Income tax paid	-	-	-	-
Cash flows (used in) generated from operating activities	(1,115)	2,679	(917)	4,726
Investing Activities:				
Incorporation of associate	-	(212)	-	(212)
Proceeds on disposal of property, plant and equipment	4,389	2,812	2,970	644
Purchase of property, plant and equipment	(1,140)	(1,350)	(891)	(926)
Cash flows generated from (used in) investing activities	3,249	1,250	2,079	(494)
Financing Activities:				
Decrease in cash subjected to restriction	609	146	103	400
Repayment of bank loans	(7,267)	(9,985)	(3,341)	(1,767)
New bank loans raised	5,392	5,646	3,171	438
Amount paid to shareholders	(993)	(658)	(715)	(444)
Amount raised from shareholders	2,815	261	2,815	134
Repayment of finance lease obligations	(17)	(544)	(9)	(180)
Cash flows generated from (used in) financing activities	539	(5,134)	2,024	(1,419)
Net increase (decrease) in cash and bank balances	2,673	(1,205)	3,186	2,813
Cash and bank balances at beginning of period	18,997	17,395	18,477	13,409
Effect of exchange rate changes on the balances of cash held in foreign currencies	(22)	569	(15)	537
Cash and bank balances at end of period	21,648	16,759	21,648	16,759

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 period ended 30 June

	Share capital \$'000	Currency translation reserves \$'000	Statutory reserves \$'000	Other reserves \$'000	Accumulated profits (losses) \$'000	Total attributable to equity holders of the company \$'000	Minority interests \$'000	Total \$'000
Group								
At 1 April 2013	56,127	(8,565)	7,780	(2,993)	(16,561)	35,788	7,075	42,863
Net loss for the period	-	-	-	-	(1,817)	(1,817)	(418)	(2,235)
Other comprehensive income for the period	-	747	-	-	1	748	409	1,157
Total comprehensive loss for the period	-	747	-	-	(1,816)	(1,069)	(9)	(1,078)
At 30 June 2013	56,127	(7,818)	7,780	(2,993)	(18,377)	34,719	7,066	41,785
At 1 April 2014	56,127	(8,238)	7,781	(2,993)	(23,890)	28,787	6,818	35,605
Net loss for the period	-	-	-	-	(2,169)	(2,169)	(44)	(2,213)
Other comprehensive loss for the period	-	(12)	-	-	(6)	(18)	(143)	(161)
Total comprehensive loss for the period	-	(12)	-	-	(2,175)	(2,187)	(187)	(2,374)
At 30 June 2014	56,127	(8,250)	7,781	(2,993)	(26,065)	26,600	6,631	33,231
Company								
At 1 April 2013	56,127	(482)	-	-	(11,163)	44,482	-	44,482
Net gain for the period	-	-	-	-	174	174	-	174
Other comprehensive income for the period	-	1,452	-	-	-	1,452	-	1,452
Total comprehensive income for the period	-	1,452	-	-	174	1,626	-	1,626
At 30 June 2013	56,127	970	-	-	(10,989)	46,108	-	46,108
At 1 April 2014	56,127	322	-	-	(13,482)	42,967	-	42,967
Net loss for the period	-	-	-	-	(1,157)	(1,157)	-	(1,157)
Other comprehensive loss for the period	-	(484)	-	-	-	(484)	-	(484)
Total comprehensive loss for the period	-	(484)	-	-	(1,157)	(1,641)	-	(1,641)
At 30 June 2014	56,127	(162)	-	-	(14,639)	41,326	-	41,326

- 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 30 June 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 30/6/2014	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 6 months ended		Group 3 months ended	
30/6/2014	30/6/2013	30/6/2014	30/6/2013
(0.76) 570,000,000	(0.79) 570,000,000	(0.38) 570,000,000	(0.32) 570,000,000
(0.76) 570,000,000	(0.79) 570,000,000	(0.38) 570,000,000	(0.32) 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 30/6/2014	As at 31/12/2013	As at 30/6/2014	As at 31/12/2013
4.65	5.53	7.25	7.95
570,000,000	570,000,000	570,000,000	570,000,000

* NAV per ordinary share excluding goodwill.

8. Review of the Group's performance

Revenue

For the six months ended 30 June 2014 ("1H14"), the Group reported revenue of \$26.6 million, a decrease of 22% from \$34.3 million from the corresponding period in 2013 ("1H13"). There is an overall decrease in all business segments with PCB operations taking the lead. PCB operations are undergoing a restructuring exercise to maintain its customer base above a specific profit margin.

Similarly, for the three months ended 30 June 2014 ("2Q14"), the Group reported revenue of \$13.7 million, a decrease of 16% from \$16.4 million from the corresponding period in 2013 ("2Q13"). This is due to decrease in PCB operations, partially offset by a slight increase in revenue for mechanical drilling and routing segment.

PCB Operations

PCB operations continue to be the major contributor accounting for 88% of our Group's revenue in 1H14. Revenue from PCB operations decreased by 19% from \$28.9 million in 1H13 to \$23.5 million in 1H14. The reduction was mainly due to restructuring to maintain customer base above specific profit margin. This restructuring exercise resulted in the increase in gross profit despite a decrease in revenue.

On a quarterly basis, revenue from PCB operations decreased by 12% from \$13.3 million in 2Q13 to \$11.7 million in 2Q14.

Mechanical Drilling and Routing

Revenue from mechanical drilling and routing segment increased by 15% from \$2.7 million in 1H13 to \$3.1 million in 1H14. Mechanical drilling and routing segments are mainly made up of sub-contracted sales which are volatile to any fluctuations in market demands.

On a quarterly basis, revenue from mechanical drilling and routing segment increased by 33% from \$1.5 million in 2Q13 to \$2 million in 2Q14.

Geographical Markets

China operations remained as the key contributor to Group's revenue for 2014. Proportion of revenue from China operations slightly decreased by 1% from 98% in 1Q14 to 97% in 2Q14. Upon cessation of laser drilling segment, Taiwan operations will focus on embedded PCB production. To-date, we had begun productions to fulfill small embedded PCB orders and are in the final stage of tuning the production line.

Profitability

Gross Profit

Gross profit improved from a loss of \$0.3 million in 1H13 to a profit of \$2.7 million in 1H14 despite a drop in revenue. This improvement was brought about by the restructuring exercise to maintain customer base above specific profit margin, coupled with decrease in depreciation expense of machineries. In 1H14, other than laser drilling machines classified under assets held for sales, under-utilised mechanical drilling machines were also disposed off which resulted in the decrease in depreciation expense.

On a quarterly basis, gross profit improved from a gross loss of \$0.7 million in 2Q13 to a gross profit of \$1.7 million in 2Q14.

Other Income

The decrease in other income was mainly due to net exchange loss incurred in 1H14 which was reclassified under other expense. In 1H13, net exchange gain of \$1.5 million was incurred.

Administrative Expenses

The increase in administrative expenses was mainly due to increase in research and development expenses by \$0.2 million. To-date, our Group has been continuing our research to further our expertise in embedded PCB production.

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 21% from \$1 million in 1H13 to \$0.8 million in 1H14. This is in line with the decrease in revenue, resulting in a decrease in sales commission payable to sales representatives in processing sales for PCB manufacturing.

Other Expenses

The increase in other expenses is mainly made up of a net exchange loss of \$0.9 million incurred in 1H14, partially offset by \$0.2 million gain on disposal of plant and machinery.

Finance Costs

There is a decrease in finance cost from \$0.7 million in 1H13 to \$0.5 million in 1H14. This decrease is mainly due to lesser bank borrowings.

Balance Sheet

The Group's cash and bank balances improved from \$19 million at 4Q13 to \$21.6 million at 2Q14.

Pledged bank deposit of \$0.6 million as at 4Q13 pertains to security for banking facilities. Upon maturity, pledged bank deposits were released.

The decrease in trade receivables of \$6.4 million is in line with the decrease in sales. Generally, trade receivables are correlated with the revenue level of that quarter. There was an improvement in trade receivables turnover days from 119 days in 4Q13 to 96 days in 2Q14.

Other receivables and prepayments decreased by \$0.4 million from \$3.5 million at 4Q13 to \$3.1 million at 2Q14. 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.

Partial of the laser drilling machines held for sales as at 4Q13 were sold in 2Q14 while the remainings were kept for own usage.

The increase in inventory level from \$4.6 million at 4Q13 to \$5.3 million at 2Q14 was mainly due to more sales orders expected in 3rd quarter of 2014.

The decrease in property, plant and equipment arises mainly from depreciation of \$4.1 million, coupled with disposal of mechanical drilling machines and reversal of impairment of plant and machinery previously impaired totalling to \$0.8 million.

The decrease of \$2.5 million in trade payables despite an increase in inventory level for 2Q14 was due to shorter repayment period set by the suppliers. These suppliers are new suppliers of raw materials required for embedded PCB production.

Other payables decreased by \$3.8 million were mainly due to payment to suppliers amounting to \$2.5 million, coupled with payout of accrued audit fees, bonuses as well as decrease in net VAT payables.

Amount due to shareholders increased by \$1.9 million from \$14.2 million as at 4Q13 to \$16.1 million as at 2Q14.

Total gross borrowings had also reduced by \$0.5 million from \$31.1 million at 4Q13 to \$30.6 million at 2Q14. This was due to repayments of bank loans and finance leases.

The Group's net current assets position improved from \$6.2 million in 4Q13 to \$7.9 million in 2Q14.

The Group's current ratio improves from 1.13 as at 4Q13 to 1.21 as at 2Q14, while debt/equity ratio increases from 1.94 as at 4Q13 to 2.11 as at 2Q14. The Group's equity stands at \$33.2 million as at 2Q14.

Cash Flow

Cash used in operating activities of \$0.9 million in 2Q14 was mainly due to repayment of \$2.35 million to suppliers, coupled by lower trade receivables collected.

Cash flow generated from investing activities of \$2.1 million was mainly proceeds of \$3 million from sales of machineries, partially offsetted by purchase of plant and machineries amounting to \$0.9 million. This is part of the restructuring exercise to dispose off under-utilised machineries. Purchases were made to acquire machine parts required for modifications on existing machineries used for embedded PCB production.

Cash flow generated from financing activities of \$2 million in 2Q14 was mainly due to net amount raised from shareholders of \$2.1 million which is partially offsetted by bank loan repayments.

Cash and bank balances increased by \$3.1 million from \$18.5 million in 1Q14 to \$21.6 million in 2Q14.

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.

Our manufacturing line for embedded PCB production has begun productions to fulfill orders received.

Nevertheless, 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 second quarter ended 30 June 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 30.6.2014: \$23.1 million Amount outstanding as at 30.6.2014: \$14.5 million	-
Loan from Sunny Worldwide Int'l Ltd (Amount outstanding as at 30.6.2014 is \$10.5 million)	Interest for the 6 months ended 30.6.2014: \$0.14 million	-
Loan from Mr Wen Yao-Long (Amount outstanding as at 30.6.2014 is \$5.0 million)	Interest -free loan	-
Loan from Mr Wen Yao-Chou (Amount outstanding as at 30.6.2014 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 30 June 2014.

BY ORDER OF THE BOARD

Wen Yao-Long
Executive Chairman & CEO
5 August 2014