

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		
	9 months ended		Fav/ (Unfav) %	3 months ended		Fav/ (Unfav) %
	30/9/2011	30/9/2010		30/9/2011	30/9/2010	
	\$'000	\$'000		\$'000	\$'000	
Revenue	77,486	89,618	(14)	24,632	33,858	(27)
Cost of sales	(66,297)	(72,905)	9	(22,619)	(26,968)	16
Gross profit	11,189	16,713	(33)	2,013	6,890	(71)
<i>Gross margin</i>	14.4%	18.6%		8.2%	20.3%	
Other income (including interest income)	1,261	460	174	1,346	146	822
Administrative expenses	(7,885)	(7,742)	(2)	(2,855)	(2,695)	(6)
Distribution costs	(3,080)	(2,980)	(3)	(885)	(1,335)	34
Other expenses	(56)	(1,646)	97	(22)	(1,031)	98
Finance costs	(1,315)	(1,545)	15	(441)	(438)	(1)
Profit (Loss) before income tax	114	3,260	(96)	(844)	1,537	NM
Income tax expense	(693)	(208)	(233)	-	(77)	100
(Loss) Profit for the period	(579)	3,052	NM	(844)	1,460	NM
Attributable to:						
Equity holders of the parent	(582)	2,752	NM	(664)	1,290	NM
Non-controlling interest	3	300	(99)	(180)	170	NM
	(579)	3,052		(844)	1,460	
Statement of comprehensive income						
(Loss) Profit for the period	(579)	3,052	NM	(844)	1,460	NM
Other comprehensive income:						
Foreign currency translation	732	(2,987)	NM	2,580	(2,621)	NM
Gain on cash flow hedge	-	270	(100)	-	21	(100)
Other comprehensive profit (loss) for the period	732	(2,717)		2,580	(2,600)	
Total comprehensive profit (loss) for the period	153	335	(54)	1,736	(1,140)	NM
Total comprehensive profit (loss) attributable to:						
Equity holders of the parent	(432)	510	NM	1,129	(857)	NM
Non-controlling interest	585	(175)	NM	607	(283)	NM
	153	335	(54)	1,736	(1,140)	NM
NM: Not meaningful						
Profit for the period as a percentage of revenue	-0.7%	3.4%		-3.4%	4.3%	

Profit for the period is arrived at after charging (crediting) the following:

Allowance for bad debts	-	-	-	-
Depreciation of property, plant and equipment	10,718	13,276	3,505	4,262
Amortisation of land use rights	87	258	(56)	200
Fixed assets written off	4	64	4	43
Foreign exchange (gain) loss	(460)	1,565	(1,019)	1,620
Fair value gain on derivative financial instrument	(23)	(171)	(42)	(28)
(Gain) Loss on disposal of property, plant and equipment	(42)	85	6	85
Interest income	(49)	(28)	(19)	(6)
Interest expense	1,315	1,545	441	438

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.

Statement of Financial Position

	Group		Company	
	As at 30/9/2011 \$'000	As at 31/12/2010 \$'000	As at 30/9/2011 \$'000	As at 31/12/2010 \$'000
Current assets				
Cash and bank balances	15,513	14,579	119	1,062
Pledged bank deposits	548	628	-	-
Trade receivables	38,413	39,740	-	-
Other receivables and prepayments	2,918	1,477	10,680	11,978
Financial assets at fair value through profit & loss	775	752	-	-
Land use rights	93	90	-	-
Inventories	7,067	7,688	-	-
Total current assets	65,327	64,954	10,799	13,040
Non-current assets				
Investment in subsidiaries	-	-	69,405	67,308
Land use rights	4,100	4,044	-	-
Property, plant and equipment	77,948	85,021	746	731
Other receivables	1,276	1,697	-	-
Goodwill	2,226	2,226	-	-
Deferred tax asset	876	1,469	-	-
Total non-current assets	86,426	94,457	70,151	68,039
Total assets	151,753	159,411	80,950	81,079
Current liabilities				
Trade payables	24,013	27,292	-	-
Other payables	8,089	10,535	10,873	9,429
Short-term bank loans	16,979	17,287	-	-
Current portion of long-term bank loans	1,662	1,336	59	59
Current portion of finance leases	1,412	1,473	-	-
Current portion of notes payable	1,334	3,439	1,334	3,439
Due to shareholders	12,128	12,284	12,128	12,284
Total current liabilities	65,617	73,646	24,394	25,211
Non-current liabilities				
Long-term bank loans	9,081	8,552	115	164
Finance leases	1,121	1,432	-	-
Total non-current liabilities	10,202	9,984	115	164
Capital, reserves and minority interests				
Share capital	56,127	56,127	56,127	56,127
Reserves	10,763	11,195	314	(423)
Equity attributable to equity holders of the company	66,890	67,322	56,441	55,704
Non-controlling interest	9,044	8,459	-	-
Total equity	75,934	75,781	56,441	55,704
Total liabilities and equity	151,753	159,411	80,950	81,079

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 30/9/2011		As at 31/12/2010	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
20,053	1,334	20,096	3,439

The amount repayable after one year

As at 30/9/2011		As at 31/12/2010	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
10,202	-	9,984	-

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) **Statement of Cash Flows for period ended 30 September**

	Group		Group	
	9 months ended		3 months ended	
	30/9/2011	30/9/2010	30/9/2011	30/9/2010
	\$'000	\$'000	\$'000	\$'000
Operating Activities:				
Profit before income tax:	114	3,260	(844)	1,537
Adjustments for:-				
Depreciation of property, plant and equipment	10,718	13,276	3,505	4,262
Amortisation of land use rights	87	258	(56)	200
Fair value gain (loss) on derivative financial instrument	(23)	(171)	(42)	(28)
Fixed assets written off	4	64	4	43
Interest income	(49)	(28)	(19)	(6)
Interest expense	1,315	1,545	441	438
Net foreign exchange loss (gain)	(460)	532	(1,019)	587
(Gain) Loss on disposal of property, plant and equipment	(42)	85	6	85
Operating profit before working capital changes	11,664	18,821	1,976	7,118
Changes in working capital:-				
Trade receivables	1,327	(12,126)	(1,252)	(4,769)
Other receivables and prepayments	(1,020)	(368)	350	(657)
Inventories	621	(1,022)	1,689	2,290
Trade payables	(3,279)	5,192	(3,247)	(1,281)
Other payables	(2,446)	(1,879)	1,274	241
Cash generated from operations	6,867	8,618	790	2,942
Net interest paid	(1,266)	(1,517)	(422)	(432)
Income tax paid	(100)	(148)	(17)	(24)
Cash flows from operating activities	5,501	6,953	351	2,486
Investing Activities:				
Purchase of plant and equipment	(2,967)	-	(529)	-
Proceeds on disposal of plant and equipment	410	-	32	-
Cash flows used in investing activities	(2,557)	-	(497)	-
Financing Activities:				
Increase (Decrease) in cash subjected to restriction	80	(730)	(25)	183
New bank loans raised	17,226	35,453	5,679	13,997
Repayment of bank loans	(16,679)	(35,661)	(4,598)	(11,654)
Decrease in notes payable	(2,105)	(2,221)	113	(861)
Due to shareholders	(156)	688	348	(279)
New finance lease obligations raised	1,220	-	-	-
Repayment of finance lease obligations	(1,592)	(2,456)	(408)	(791)
Cash flows (used in) generated from financing activities	(2,006)	(4,927)	1,109	595
Net increase in cash and bank balances	938	2,026	963	3,081
Cash and bank balances at beginning of period	14,579	8,748	14,482	7,667
Effect of exchange rate changes on the balances of cash held in foreign currencies	(4)	-	68	26
Cash and bank balances at end of period	15,513	10,774	15,513	10,774

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 period ended 30 September

	Share capital \$'000	Currency translation reserves \$'000	Hedging reserves \$'000	Statutory reserves \$'000	Other reserves \$'000	Accumulated profits (losses) \$'000	Total attributable to equity holders of the company \$'000	Non-controlling interest \$'000	Total \$'000
Group									
At 1 July 2010	56,127	(5,946)	(207)	5,730	-	16,658	72,362	5,869	78,231
Total comprehensive income (loss) for the period	-	(2,130)	21	-	(3,024)	1,284	(3,849)	2,710	(1,139)
At 30 September 2010	56,127	(8,076)	(186)	5,730	(3,024)	17,942	68,513	8,579	77,092
At 1 July 2011	56,127	(8,915)	-	7,417	(2,993)	14,125	65,761	8,437	74,198
Total comprehensive income (loss) for the period	-	1,786	-	-	-	(657)	1,129	607	1,736
At 30 September 2011	56,127	(7,129)	-	7,417	(2,993)	13,468	66,890	9,044	75,934
Company									
At 1 July 2010	56,127	1,284	(207)	-	-	4,763	61,967	-	61,967
Total comprehensive income (loss) for the period	-	(2,499)	21	-	-	(4,046)	(6,525)	-	(6,525)
At 30 September 2010	56,127	(1,215)	(186)	-	-	717	55,443	-	55,443
At 1 July 2011	56,127	(2,822)	-	-	-	(163)	53,142	-	53,142
Total comprehensive profit for the period	-	3,019	-	-	-	280	3,299	-	3,299
At 30 September 2011	56,127	197	-	-	-	117	56,441	-	56,441

- 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 2011 to 30 September 2011, 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 30/9/2011	As at 31/12/2010
	570,000	570,000

- 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 Company has adopted the same accounting policies and methods of computation as compared to the most recent audited financial statements as at 31 December 2010.

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

(ii) On a fully diluted basis (cts)

Group		Group	
9 months ended		3 months ended	
30/9/2011	30/9/2010	30/9/2011	30/9/2010
(0.10)	0.48	(0.12)	0.23
570,000,000	570,000,000	570,000,000	570,000,000
(0.10)	0.48	(0.12)	0.23
570,000,000	570,000,000	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 30/9/2011	As at 31/12/2010	As at 30/9/2011	As at 31/12/2010
11.34	11.42	9.90	9.77
570,000,000	570,000,000	570,000,000	570,000,000

8. Review of the Group's performance

Revenue

For the nine months ended 2011 ("YTD 3Q11"), the Group reported revenue of \$77.5 million, a drop of 14% from \$89.6 million from the corresponding period in 2010 ("YTD 3Q10"). Revenue from mechanical drilling segment and laser drilling segment dropped significantly. Unlike PCB segment, mechanical drilling and laser drilling sales are sub-contracted sales, thus its volatility.

For the third quarter of 2011 ("3Q11"), the Group reported revenue of \$24.6 million, a decrease of 27% from \$33.9 million from the corresponding period in 2010 ("3Q10"). This decrease is mainly due to drop in quarterly revenue from PCB segment and laser drilling segment.

PCB Operations

PCB operations continue to be the major contributor accounting for 77% of our Group's revenue for YTD 3Q11. With lesser orders received from original equipment manufacturers, PCB revenue dropped by 6% from \$63.6 million for YTD 3Q10 to \$59.7 million for YTD 3Q11.

On a quarterly basis, PCB revenue decreased by 23% from \$24.2 million in 3Q10 to \$18.7 million in 3Q11.

Mechanical Drilling and Routing

Similarly, with lesser orders received, revenue from mechanical drilling and routing services decreased by 42% from \$12.2 million for YTD 3Q10 to \$7.1 million for YTD 3Q11.

On a quarterly basis, mechanical drilling and routing services dropped by 36% from \$4.2 million in 3Q10 to \$2.7 million in 3Q11.

Laser Drilling

Revenue from laser drilling services dropped by 22% from \$13.8 million for YTD 3Q10 to \$10.8 million for YTD 3Q11. This is due to lesser subcontracting work received from customers in 2Q11.

On a quarterly basis, laser drilling services dropped by 40% from \$5.5 million in 3Q10 to \$3.3 million in 3Q11.

Geographical Markets

China operations remained as the key contributor to Group's revenue in 2011. Proportion of revenue from China operations increased by 1% from 87% in 2Q11 to 88% in 3Q11. Taiwan operations focus on laser drilling services. Although laser drilling business commands a higher margin, the market demand in this area is inherently more volatile as compared to our PCB business. In 3Q11, the drop in revenue generated from laser drilling segment is significantly higher than other segments.

Profitability

Gross Profit

Gross Profit showed a decline from \$16.7 million for YTD 3Q10 to \$11.2 million for YTD 3Q11, with a drop in profit margin from 18.6% to 14.4%. This drop is mainly due to a shift in revenue mix where laser drilling, which is our most profitable segment, decreased significantly in 3Q11. In addition, our China subsidiaries were also under pressure from increasing costs such as electricity rationing, increasing labour costs and increasing cost of raw materials.

On a quarterly basis, gross profit dropped from \$6.9 million in 3Q10 to \$2 million in 3Q11.

Expenses

Other Income

The increase in other income was due to foreign exchange gain resulting from stronger Singapore dollars against United States dollars.

Administrative Expenses

Administrative expenses increased by 2% from \$7.7 million for YTD 3Q10 to \$7.9 million for YTD 3Q11. This is mainly due to research and development expenses incurred by our Taiwan subsidiary, LGANG Optronics Technology Co., Ltd ("LGANG").

At a quarterly basis, administrative expenses increased by 6% from \$2.7 million in 3Q10 to \$2.9 million in 3Q11.

Distribution Costs

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

Distribution costs increased by 3% from \$3 million for YTD 3Q10 to \$3.1 million for YTD 3Q11. This increase was due to increase in percentage of sales commission payable to sales representatives. However, on quarterly basis, distribution costs dropped as there are lower sales.

Other Expenses

Other expenses include foreign exchange loss. However, a foreign exchange gain was noted for 3Q11. As such, this foreign exchange gain was reclassified under other income accordingly. For YTD 3Q10, foreign exchange loss amounted to \$1.6 million.

Finance Costs

Finance costs decreased by 15% from \$1.5 million for YTD 3Q10 to \$1.3 million for YTD 3Q11. This was due mainly to the repayment of bank borrowings and lower interest rates.

Balance Sheet

The Group's cash and bank balances improved from \$14.6 million at 4Q10 to \$15.6 million at 3Q11.

A slight drop of \$0.1 million was also observed for pledged bank deposits as bank borrowings requiring pledged bank deposits were being repaid.

The decrease in trade receivables was mainly due to drop in 3Q11 sales, coupled with stringent credit collection procedures.

Other receivables and prepayments increased by \$1 million from \$3.2 million at 4Q10 to \$4.2 million at 3Q11. Other receivables and prepayments mainly comprise of prepaid operating expenses, such as rental, utilities, insurance, maintenance expense, etc. By end of each financial year, prepayments will mostly be expensed off.

Inventory management is constantly reviewed and inventory will be kept at the minimum required level. Inventory decreased by \$0.6 million from \$7.7 million at 4Q10 to \$7.1 million at 3Q11.

Trade payables decreased by \$3.3 million from \$27.3 million at 4Q10 to \$24 million at 3Q11. This was in line with the decrease in sales.

Other payables decreased by \$2.4 million were mainly due to refund of sales deposit placed by customer, coupled with payout of accrued staff bonus.

Total gross borrowings had also been reduced by \$2.1 million from \$45.8 million at 4Q10 to \$43.7 million at 3Q11. This was due to repayments of bank loans, finance leases and notes payable.

The Group's net current liabilities position improved from \$8.7 million at 4Q10 to \$0.3 million in 3Q11. This was mainly due to generation of \$5.5 million cashflow from operating activities for YTD 3Q11.

The Group's current ratio (current assets/current liabilities) and debt/equity ratio are 1.0 and 1.1 respectively. The Group's equity (net assets) stands at \$66.9 million as at 3Q11.

Cash Flow

A decrease of \$1.5 million in cash flow generated from operating activities was noted for YTD 3Q11 as compared to YTD 3Q10. This decrease was due to drop in 3Q11 sales resulting in \$0.4 million cash flow generated from operating activities in 3Q11.

Cash flow used in investing activities for 3Q11 was mainly used for purchase of machineries by our Taiwan subsidiary, LGANG Optronics Technology Co., Ltd.

Cash flow used in financing activities of \$2 million for YTD 3Q11 was mainly due to repayment of loan borrowings, notes payables and finance leases. In 3Q11, \$4 million relates to a new bank loan raised under LGANG for purpose of capital expenditures was approved. Out of which, \$2 million had been drawdown.

Cash and bank balances stood at \$15.6 million as at 3Q11 as compared to \$10.8 million as at 3Q10.

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.

With renewed uncertainties in the global financial markets and signs of instabilities in many parts of the world, business sentiments are generally weaker. In view of uncertainties such as increasing labour and materials costs faced by our China subsidiaries, management expect that the Group will turn in a loss for financial year 2011 and will continue to remain cautious and conservative in its outlook.

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 third quarter ended 30 September 2011.

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

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 30.09.2011: S\$48.8 million Amount outstanding as at 30.09.2011: S\$26.3 million	-
Loan from Sunny Worldwide Int'l Ltd (Amount outstanding as at 30.09.2011 is S\$7.0 million)	Interest for the 9 months ended 30.09.2011: S\$0.19 million	-
Loan from Mr Wen Yao-Long (Amount outstanding as at 30.09.2011 is S\$5.2 million)	Interest -free loan	-

BY ORDER OF THE BOARD

Wen Yao-Long
 Executive Chairman & CEO
 1 November 2011