

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 | | Fav/ (Unfav) % |
|---|---------------------|---------------------|----------------------|
| | 3 months ended | | |
| | 31/3/2012 \$'000 | 31/3/2011 \$'000 | |
| Revenue | 16,980 | 24,642 | (31) |
| Cost of sales | (17,613) | (21,067) | 16 |
| Gross (loss) profit | (633) | 3,575 | NM |
| <i>Gross margin</i> | -3.7% | 14.5% | |
| Other income (including interest income) | 193 | 146 | 32 |
| Administrative expenses | (2,840) | (2,418) | (17) |
| Distribution costs | (672) | (1,079) | 38 |
| Other expenses | (376) | (107) | (251) |
| Finance costs | (450) | (430) | (5) |
| Loss before income tax | (4,778) | (313) | NM |
| Income tax expense | - | - | - |
| Net loss for the period | (4,778) | (313) | NM |
| Attributable to: | | | |
| Equity holders of the parent | (4,544) | (208) | NM |
| Non-controlling interest | (234) | (105) | (123) |
| | (4,778) | (313) | |
| <u>Statement of comprehensive income</u> | | | |
| Net loss for the period | (4,778) | (313) | NM |
| Other comprehensive income: | | | |
| Foreign currency translation | (2,007) | (1,449) | (39) |
| Other comprehensive loss for the period | (2,007) | (1,449) | |
| Total comprehensive loss for the period | (6,785) | (1,762) | (285) |
| Total comprehensive loss attributable to: | | | |
| Equity holders of the parent | (6,065) | (1,554) | (290) |
| Non-controlling interest | (720) | (208) | (246) |
| | (6,785) | (1,762) | (285) |

NM: Not meaningful

Net profit for the period as a percentage of revenue -28.1% -1.3%

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

| | | |
|---|-------|---------|
| Depreciation of property, plant and equipment | 3,432 | 3,697 |
| Amortisation of land use rights | 22 | 22 |
| Foreign exchange loss (gain) | 854 | (1,634) |
| Gain on disposal of property, plant and equipment | (3) | (13) |
| Interest income | (22) | (11) |
| Interest expense | 450 | 430 |

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 31/3/2012 \$'000 | As at 31/12/2011 \$'000 | As at 31/3/2012 \$'000 | As at 31/12/2011 \$'000 |
| Current assets | | | | |
| Cash and bank balances | 15,933 | 17,872 | 118 | 201 |
| Pledged bank deposits | 542 | 559 | - | - |
| Trade receivables | 22,196 | 28,626 | - | - |
| Other receivables and prepayments | 2,580 | 2,420 | 8,216 | 10,293 |
| Land use rights | 91 | 94 | - | - |
| Inventories | 6,652 | 7,829 | - | - |
| Total current assets | 47,994 | 57,400 | 8,334 | 10,494 |
| Non-current assets | | | | |
| Investment in subsidiaries | - | - | 68,477 | 70,814 |
| Land use rights | 4,000 | 4,160 | - | - |
| Property, plant and equipment | 70,403 | 75,898 | 729 | 758 |
| Other receivables | 1,232 | 1,615 | - | - |
| Goodwill | 2,226 | 2,226 | - | - |
| Deferred tax asset | 1,373 | 1,406 | - | - |
| Total non-current assets | 79,234 | 85,305 | 69,206 | 71,572 |
| Total assets | 127,228 | 142,705 | 77,540 | 82,066 |
| Current liabilities | | | | |
| Trade payables | 17,667 | 20,182 | - | - |
| Other payables | 5,818 | 8,134 | 8,436 | 10,979 |
| Short-term bank loans | 10,412 | 14,898 | - | - |
| Current portion of long-term bank loans | 7,778 | 8,043 | 59 | 59 |
| Current portion of finance leases | 1,397 | 1,610 | - | - |
| Due to shareholders | 12,808 | 12,297 | 12,808 | 12,297 |
| Total current liabilities | 55,880 | 65,164 | 21,303 | 23,335 |
| Non-current liabilities | | | | |
| Long-term bank loans | 3,610 | 2,781 | 85 | 100 |
| Finance leases | 1,207 | 1,444 | - | - |
| Total non-current liabilities | 4,817 | 4,225 | 85 | 100 |
| Capital, reserves and non-controlling interests | | | | |
| Share capital | 56,127 | 56,127 | 56,127 | 56,127 |
| Reserves | 2,065 | 8,130 | 25 | 2,504 |
| Equity attributable to equity holders of the company | 58,192 | 64,257 | 56,152 | 58,631 |
| Non-controlling interest | 8,339 | 9,059 | - | - |
| Total equity | 66,531 | 73,316 | 56,152 | 58,631 |
| Total liabilities and equity | 127,228 | 142,705 | 77,540 | 82,066 |

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 31/3/2012 | | As at 31/12/2011 | |
|-----------------|-----------|------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| \$'000 | \$'000 | \$'000 | \$'000 |
| 19,587 | - | 24,551 | - |

The amount repayable after one year

| As at 31/3/2012 | | As at 31/12/2011 | |
|-----------------|-----------|------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| \$'000 | \$'000 | \$'000 | \$'000 |
| 4,817 | - | 4,225 | - |

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**

| | Group | |
|--|-----------------------|------------------|
| | 3 months ended | |
| | 31/3/2012 | 31/3/2011 |
| | \$'000 | \$'000 |
| <u>Operating Activities:</u> | | |
| Loss before Income Tax: | (4,778) | (313) |
| Adjustments for:- | | |
| Depreciation of property, plant and equipment | 3,432 | 3,697 |
| Amortisation of land use rights | 22 | 22 |
| Interest income | (22) | (11) |
| Interest expense | 450 | 430 |
| Net foreign exchange loss (gain) | 854 | (1,634) |
| Gain on disposal of property, plant and equipment | (3) | (13) |
| Operating profit before working capital changes | (45) | 2,178 |
| Changes in working capital:- | | |
| Trade receivables | 6,430 | 4,475 |
| Other receivables and prepayments | 223 | (185) |
| Inventories | 1,177 | (458) |
| Trade payables | (2,515) | (2,580) |
| Other payables | (2,316) | (2,426) |
| Cash generated from operations | 2,954 | 1,004 |
| Net interest paid | (428) | (419) |
| Income tax paid | - | - |
| Cash flows from operating activities | 2,526 | 585 |
| <u>Investing Activities:</u> | | |
| Proceeds on disposal of property, plant and equipment | 13 | 94 |
| Purchase of property, plant and equipment | (175) | (749) |
| Cash flows used in investing activities | (162) | (655) |
| <u>Financing Activities:</u> | | |
| Decrease in cash subjected to restriction | 17 | 102 |
| Repayment of bank loans | (5,463) | (7,983) |
| New bank loans raised | 2,192 | 4,319 |
| Repayment of notes payable | - | (969) |
| Amount paid to shareholders | (765) | (1,856) |
| Amount raised from shareholders | 266 | 1,645 |
| Repayment of finance lease obligations | (415) | (678) |
| New finance lease obligations raised | - | 1,220 |
| Cash flows used in financing activities | (4,168) | (4,200) |
| Net decrease in cash and bank balances | (1,804) | (4,270) |
| Cash and bank balances at beginning of period | 17,872 | 14,579 |
| Effect of exchange rate changes on the balances of cash held in foreign currencies | (135) | (65) |
| Cash and bank balances at end of period | 15,933 | 10,244 |

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 | Other 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 2011 | 56,127 | (7,660) | 7,494 | (2,993) | 14,354 | 67,322 | 8,459 | 75,781 |
| Total comprehensive loss for the period | - | (959) | (77) | - | (518) | (1,554) | (208) | (1,762) |
| At 31 March 2011 | 56,127 | (8,619) | 7,417 | (2,993) | 13,836 | 65,768 | 8,251 | 74,019 |
| At 1 January 2012 | 56,127 | (6,548) | 7,750 | (2,993) | 9,921 | 64,257 | 9,059 | 73,316 |
| Total comprehensive loss for the period | - | (1,521) | - | - | (4,544) | (6,065) | (720) | (6,785) |
| At 31 March 2012 | 56,127 | (8,069) | 7,750 | (2,993) | 5,377 | 58,192 | 8,339 | 66,531 |
| <u>Company</u> | | | | | | | | |
| At 1 January 2011 | 56,127 | (1,489) | - | - | 1,066 | 55,704 | - | 55,704 |
| Total comprehensive loss for the period | - | (936) | - | - | (524) | (1,460) | - | (1,460) |
| At 31 March 2011 | 56,127 | (2,425) | - | - | 542 | 54,244 | - | 54,244 |
| At 1 January 2012 | 56,127 | 1,414 | - | - | 1,090 | 58,631 | - | 58,631 |
| Total comprehensive loss for the period | - | (1,938) | - | - | (541) | (2,479) | - | (2,479) |
| At 31 March 2012 | 56,127 | (524) | - | - | 549 | 56,152 | - | 56,152 |

- 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 2012 to 31 March 2012, 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.

| | As at 31/3/2012 | As at 31/12/2011 |
|---|--------------------|---------------------|
| The total number of issued shares excluding treasury shares | 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 Company has adopted the same accounting policies and methods of computation as compared to the most recent audited financial statements as at 31 December 2011.

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.

| | Group | |
|-------------------------------------|----------------|-------------|
| | 3 months ended | |
| | 31/3/2012 | 31/3/2011 |
| Earnings per ordinary share for the | | |
| (i) Based on the weighted average | (0.80) | (0.04) |
| Weighted average number of shares | 570,000,000 | 570,000,000 |
| (ii) On a fully diluted basis (cts) | (0.80) | (0.04) |
| Weighted average number of shares | 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.

| | Group | | Company | |
|--|--------------------|---------------------|--------------------|---------------------|
| | As at 31/3/2012 | As at 31/12/2011 | As at 31/3/2012 | As at 31/12/2011 |
| Net asset value per ordinary share (cts) | 9.82 | 10.88 | 9.85 | 10.29 |
| Number of shares | 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 2012 ("1Q12"), the Group reported revenue of \$17.0 million, a drop of 31% from \$24.6 million from the corresponding period in 2011 ("1Q11"). This is an across the board decrease in all segments. More significant drops were noted for laser drilling and mechanical drilling segments. Unlike PCB segment whose customers are mainly original equipment manufacturers, laser drilling and mechanical drilling segments are sub-contracted sales which are volatile to fluctuations in market demand.

PCB Operations

PCB operations continue to be the major contributor accounting for 91% of our Group's revenue in 1Q12.

With lesser orders received from original equipment manufacturers, PCB revenue decreased by 21% from \$19.5 million in 1Q11 to \$15.4 million in 1Q12.

Mechanical Drilling and Routing

Revenue from Mechanical drilling and routing segment decreased by 31% from \$1.6 million in 1Q11 to \$1.1 million in 1Q12. 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 dropped the most by 86% from \$3.4 million in 1Q11 to \$0.5 million in 1Q12. Similar to Mechanical drilling and routing segment, Laser drilling segment is mainly made up of sub-contracted sales.

Geographical Markets

China operations remained as the key contributor to Group's revenue in 1Q12. Proportion of revenue from China operations increased by 6% from 91% in 4Q11 to 97% in 1Q12. This was due to the stability of revenue generated from PCB operations as compared to Laser drilling segment.

Profitability

Gross Profit

Gross Profit dropped from \$3.6 million in 1Q11 to a gross loss of \$0.6 million in 1Q12. PCB operations posted a gross profit of \$1.4 million while Mechanical drilling and Laser drilling segment recorded a gross loss of \$2 million. Revenue generated from these segments was less than the fixed manufacturing expenses such as labour cost, electricity and depreciation.

Expenses

Other Income

The increase in other income was mainly due to increase in scrap sales income and workmanship fees charged.

Administrative Expenses

The increase in administrative expenses was mainly due to increase in research and development expense, staff training expense and staff cost.

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 36% from \$1.1 million in 1Q11 to \$0.7 million in 1Q12. This decrease was mainly due to drop in sales commission payable to sales representatives in processing sales for PCB manufacturing.

Other Expenses

The increase in other expense by \$0.2 million was mainly due to increase in exchange loss arising from depreciation of USD and JPY against RMB.

Finance Costs

Despite consistent repayment of bank loans, a slight increase of 5% is observed for finance cost. This is mainly due to a higher interest rate in a bank loan drawdown by one of our Shanghai subsidiary.

Balance Sheet

The Group's cash and bank balances decreased from \$17.9 million at 4Q11 to \$15.9 million at 1Q12. Pledged bank deposits decreased from \$0.6 million in 4Q11 to \$0.5 million in 1Q12.

The decrease in trade receivables of \$6.4 million is in line with the drop in sales, coupled with stringent credit collection procedures. In 4Q11, quarterly sales was \$19.6 million. However, it dropped by \$2.6 million to \$17 million in 1Q12. Trade receivables turnover days was reduced from 107 days to 90 days from 4Q11 to 1Q12.

Other receivables and prepayments increased by \$0.2 million from \$2.4 million at 4Q11 to \$2.6 million at 1Q12. 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.

The decrease in inventory level from \$7.8 million at 4Q11 to \$6.7 million at 1Q12 was mainly due to lesser sales orders expected in 2nd quarter of 2012.

The decrease of \$2.5 million in trade payables was mainly due to decreasing inventory purchase in 1Q12.

Other payables decreased by \$2.2 million was mainly due to refund of deposit placed by customer in prior years, coupled with payout of accrued staff bonus in 1Q12.

Total gross borrowings had also reduced by \$3.8 million from \$41.0 million at 4Q11 to \$37.2 million at 1Q12. This was due to repayments of bank loans and finance leases.

The Group's net current liabilities position remained constant at \$7.8 million for 4Q11 and \$7.9 million for 1Q12.

As at 1Q12, the Group's current ratio (current assets/current liabilities) and debt/equity ratio are 0.86 and 1.0 respectively. The Group's equity (net assets) stands at \$58.2 million.

Cash Flow

Cash flow generated from operating activities improved by \$1.9 million from \$0.6 in 1Q11 to \$2.5 million in 1Q12. This was mainly due to increase in collection from trade receivables, coupled with slowdown in inventory procurement.

Cash flow used in investing activities was mainly for modification of machinery purpose.

Cash flow used in financing activities of \$4.2 million in 1Q12 was mainly due to repayment of loan borrowings and amount due to shareholders.

Cash and bank balances improved by \$5.7 million from \$10.2 million in 1Q11 to \$15.9 million in 1Q12.

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 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 first quarter ended 31 March 2012.

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 31.3.2012: \$50.1 million Amount outstanding as at 31.3.2012: \$24.3 million | - |
| Loan from Sunny Worldwide Int'l Ltd (Amount outstanding as at 31.3.2012 is \$7.1 million) | Interest for the 3 months ended 31.3.2012: \$0.06 million | - |
| Loan from Mr Wen Yao-Long (Amount outstanding as at 31.3.2012 is \$5.7 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 March 2012.

BY ORDER OF THE BOARD

Wen Yao-Long
Executive Chairman & CEO
26 April 2012