

**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) %
	30/6/2012	30/6/2011		30/6/2012	30/6/2011	
	\$'000	\$'000		\$'000	\$'000	
<b>Revenue</b>	<b>34,525</b>	<b>52,854</b>	(35)	<b>17,545</b>	<b>28,212</b>	(38)
Cost of sales	(36,273)	(43,678)	17	(18,660)	(22,611)	17
<b>Gross (loss) profit</b>	<b>(1,748)</b>	<b>9,176</b>	NM	<b>(1,115)</b>	<b>5,601</b>	NM
<i>Gross margin</i>	<i>-5.1%</i>	<i>17.4%</i>		<i>-6.4%</i>	<i>19.9%</i>	
Other income (including interest income)	381	250	52	188	104	81
Administrative expenses	(5,738)	(5,030)	(14)	(2,898)	(2,612)	(11)
Distribution costs	(1,341)	(2,195)	39	(669)	(1,116)	40
Other expenses	(63)	(369)	83	313	(262)	NM
Finance costs	(893)	(874)	(2)	(443)	(444)	0
<b>(Loss) Profit before income tax</b>	<b>(9,402)</b>	<b>958</b>	NM	<b>(4,624)</b>	<b>1,271</b>	NM
Income tax expense	-	(693)	NM	-	(693)	NM
<b>Net (loss) profit for the period</b>	<b>(9,402)</b>	<b>265</b>	NM	<b>(4,624)</b>	<b>578</b>	NM
Attributable to:						
Equity holders of the parent	(8,836)	82	NM	(4,292)	290	NM
Non-controlling interest	(566)	183	NM	(332)	288	NM
	<b>(9,402)</b>	<b>265</b>		<b>(4,624)</b>	<b>578</b>	
<b>Statement of comprehensive income</b>						
Net (loss) profit for the period	(9,402)	265	NM	(4,624)	578	NM
<b>Other comprehensive income:</b>						
Foreign currency translation	(1,430)	(1,848)	23	577	(399)	NM
<b>Other comprehensive (loss) profit for the period</b>	<b>(1,430)</b>	<b>(1,848)</b>		<b>577</b>	<b>(399)</b>	
<b>Total comprehensive (loss) profit for the period</b>	<b>(10,832)</b>	<b>(1,583)</b>	NM	<b>(4,047)</b>	<b>179</b>	NM
Total comprehensive (loss) profit attributable to:						
Equity holders of the parent	(9,924)	(1,561)	NM	(3,859)	(7)	NM
Non-controlling interest	(908)	(22)	NM	(188)	186	NM
	<b>(10,832)</b>	<b>(1,583)</b>	NM	<b>(4,047)</b>	<b>179</b>	NM

NM: Not meaningful

Net (loss) profit for the period as a percentage of revenue

-27.2%

0.5%

-26.4%

2.1%

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

Depreciation of property, plant and equipment	6,819	7,213	3,387	3,516
Amortisation of land use rights	44	143	22	121
Foreign exchange loss	1,027	559	173	2,193
Gain on disposal of property, plant and equipment	(3)	(48)	-	(35)
Interest income	(66)	(30)	(44)	(19)
Interest expense	893	874	443	444

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 30/6/2012 \$'000	As at 31/12/2011 \$'000	As at 30/6/2012 \$'000	As at 31/12/2011 \$'000
<b>Current assets</b>				
Cash and bank balances	11,252	17,872	27	201
Pledged bank deposits	547	559	-	-
Trade receivables	24,241	28,626	-	-
Other receivables and prepayments	3,438	2,420	8,330	10,293
Land use rights	92	94	-	-
Inventories	6,130	7,829	-	-
Total current assets	45,700	57,400	8,357	10,494
<b>Non-current assets</b>				
Investment in subsidiaries	-	-	69,200	70,814
Land use rights	4,019	4,160	-	-
Property, plant and equipment	67,783	75,898	733	758
Other receivables	1,007	1,615	-	-
Goodwill	2,226	2,226	-	-
Deferred tax asset	1,384	1,406	-	-
Total non-current assets	76,419	85,305	69,933	71,572
<b>Total assets</b>	<b>122,119</b>	<b>142,705</b>	<b>78,290</b>	<b>82,066</b>
<b>Current liabilities</b>				
Trade payables	16,028	20,182	-	-
Other payables	6,111	8,134	7,152	10,979
Short-term bank loans	9,570	14,898	-	-
Current portion of long-term bank loans	7,630	8,043	59	59
Current portion of finance leases	1,315	1,610	-	-
Due to shareholders	14,711	12,297	14,711	12,297
Total current liabilities	55,365	65,164	21,922	23,335
<b>Non-current liabilities</b>				
Long-term bank loans	3,393	2,781	71	100
Finance leases	877	1,444	-	-
Total non-current liabilities	4,270	4,225	71	100
<b>Capital, reserves and non-controlling interests</b>				
Share capital	56,127	56,127	56,127	56,127
Reserves	(1,794)	8,130	170	2,504
Equity attributable to equity holders of the company	54,333	64,257	56,297	58,631
Non-controlling interest	8,151	9,059	-	-
Total equity	62,484	73,316	56,297	58,631
<b>Total liabilities and equity</b>	<b>122,119</b>	<b>142,705</b>	<b>78,290</b>	<b>82,066</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 30/6/2012		As at 31/12/2011	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
18,515	14,711	24,551	12,297

The amount repayable after one year

As at 30/6/2012		As at 31/12/2011	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
4,270	-	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) **Statements of Cash Flows for period ended 30 June**

	<b>Group</b>		<b>Group</b>	
	<b>6 months ended</b>		<b>3 months ended</b>	
	<b>30/6/2012</b>	<b>30/6/2011</b>	<b>30/6/2012</b>	<b>30/6/2011</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Operating Activities:</b>				
(Loss) Profit before Income Tax:	(9,402)	958	(4,624)	1,271
Adjustments for:-				
Depreciation of property, plant and equipment	6,819	7,213	3,387	3,516
Amortisation of land use rights	44	143	22	121
Fair value gain on derivative financial instrument	-	19	-	19
Interest income	(66)	(30)	(44)	(19)
Interest expense	893	874	443	444
Net foreign exchange loss	1,027	559	173	63
Gain on disposal of property, plant and equipment	(3)	(48)	-	(35)
Operating (loss) profit before working capital changes	(688)	9,688	(643)	5,380
Changes in working capital:-				
Trade receivables	4,385	2,579	(2,045)	(1,896)
Other receivables and prepayments	(410)	(1,370)	(633)	(1,185)
Inventories	1,699	(1,068)	522	(610)
Trade payables	(4,154)	(32)	(1,639)	2,548
Other payables	(2,023)	(3,720)	293	(1,294)
Cash (used in) generated from operations	(1,191)	6,077	(4,145)	2,943
Net interest paid	(827)	(844)	(399)	(425)
Income tax paid	(11)	(83)	(11)	(119)
<b>Cash flows (used in) generated from operating activities</b>	<b>(2,029)</b>	<b>5,150</b>	<b>(4,555)</b>	<b>2,399</b>
<b>Investing Activities:</b>				
Proceeds on disposal of property, plant and equipment	13	378	-	284
Purchase of property, plant and equipment	(367)	(2,438)	(192)	(1,689)
<b>Cash flows used in investing activities</b>	<b>(354)</b>	<b>(2,060)</b>	<b>(192)</b>	<b>(1,405)</b>
<b>Financing Activities:</b>				
Decrease in cash subjected to restriction	12	105	(5)	3
Repayment of bank loans	(11,066)	(12,081)	(5,603)	(4,098)
New bank loans raised	6,035	11,547	3,843	9,394
Repayment of notes payable	-	(2,218)	-	(1,249)
Amount paid to shareholders	(807)	(504)	(42)	(2,149)
Amount raised from shareholders	2,614	-	2,348	1,856
Repayment of finance lease obligations	(747)	(1,184)	(332)	(506)
New finance lease obligations raised	-	1,220	-	-
<b>Cash flows (used in) generated from financing activities</b>	<b>(3,959)</b>	<b>(3,115)</b>	<b>209</b>	<b>3,251</b>
<b>Net (decrease) increase in cash and bank balances</b>	<b>(6,342)</b>	<b>(25)</b>	<b>(4,538)</b>	<b>4,245</b>
Cash and bank balances at beginning of period	17,872	14,579	15,933	10,244
Effect of exchange rate changes on the balances of cash held in foreign currencies	(278)	(72)	(143)	(7)
<b>Cash and bank balances at end of period</b>	<b>11,252</b>	<b>14,482</b>	<b>11,252</b>	<b>14,482</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 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
<b><u>Group</u></b>								
At 1 April 2011	56,127	(8,619)	7,417	(2,993)	13,836	65,768	8,251	74,019
Total comprehensive income for the period	-	(296)	-	-	4,625	4,329	186	4,515
<b>At 30 June 2011</b>	<b>56,127</b>	<b>(8,915)</b>	<b>7,417</b>	<b>(2,993)</b>	<b>18,461</b>	<b>70,097</b>	<b>8,437</b>	<b>78,534</b>
At 1 April 2012	56,127	(8,069)	7,750	(2,993)	5,377	58,192	8,339	66,531
Total comprehensive loss for the period	-	433	-	-	(4,292)	(3,859)	(188)	(4,047)
<b>At 30 June 2012</b>	<b>56,127</b>	<b>(7,636)</b>	<b>7,750</b>	<b>(2,993)</b>	<b>1,085</b>	<b>54,333</b>	<b>8,151</b>	<b>62,484</b>
<b><u>Company</u></b>								
At 1 April 2011	56,127	(2,425)	-	-	542	54,244	-	54,244
Total comprehensive loss for the period	-	(397)	-	-	(705)	(1,102)	-	(1,102)
<b>At 30 June 2011</b>	<b>56,127</b>	<b>(2,822)</b>	<b>-</b>	<b>-</b>	<b>(163)</b>	<b>53,142</b>	<b>-</b>	<b>53,142</b>
At 1 April 2012	56,127	(524)	-	-	549	56,152	-	56,152
Total comprehensive income for the period	-	589	-	-	(444)	145	-	145
<b>At 30 June 2012</b>	<b>56,127</b>	<b>65</b>	<b>-</b>	<b>-</b>	<b>105</b>	<b>56,297</b>	<b>-</b>	<b>56,297</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 2012 to 30 June 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.

The total number of issued shares excluding treasury shares

As at 30/6/2012	As at 31/12/2011
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.

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

(i) Based on the weighted average number of  
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	
30/6/2012	30/6/2011	30/6/2012	30/6/2011
(1.55)	0.01	(0.75)	0.05
570,000,000	570,000,000	570,000,000	570,000,000
(1.55)	0.01	(0.75)	0.05
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 30/6/2012	As at 31/12/2011	As at 30/6/2012	As at 31/12/2011
9.14	10.88	9.88	10.29
570,000,000	570,000,000	570,000,000	570,000,000

## 8. Review of the Group's performance

### Revenue

For the six months ended 2012 ("1H12"), the Group reported revenue of \$34.5 million, a drop of 35% from \$52.9 million from the corresponding period in 2011 ("1H11"). This was an across the board decrease in all segments. The most significant decrease was noted for laser drilling, followed by 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.

Similarly, for the three months ended 2012 ("2Q12"), the Group reported revenue of \$17.5 million, a drop of 38% from \$28.2 million from the corresponding period in 2011 ("2Q11"), with an across the board decrease in all segments and laser drilling taking the lead.

### PCB Operations

PCB operations continue to be the major contributor accounting for 89% of our Group's revenue in 1H12. Revenue from PCB operations dropped by 25% from \$41 million in 1H11 to \$30.7 million in 1H12. The reduction was mainly due to weaker business sentiment resulting in drop in demand.

On a quarterly basis, revenue from PCB operations decreased by 28% from \$21.5 million in 2Q11 to \$15.4 million in 2Q12.

### Mechanical Drilling and Routing

Revenue from mechanical drilling and routing segment decreased by 30% from \$4.4 million in 1H11 to \$3.1 million in 1H12. 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 decreased by 26% from \$2.7 million in 2Q11 to \$2 million in 2Q12.

### Laser Drilling

Revenue from laser drilling segment decreased by 92% from \$7.5 million in 1H11 to \$0.6 million in 1H12. Similar to mechanical drilling and routing segment, laser drilling segment is mainly made up of sub-contracted sales which are volatile to any fluctuations in market demands.

On a quarterly basis, revenue from laser drilling segment decreased by 98% from \$4 million in 2Q11 to \$0.1 million in 2Q12.

### Geographical Markets

China operations remained as the key contributor to Group's revenue for 2012. Proportion of revenue from China operations increased by 1% from 97% in 1Q12 to 98% in 2Q12. 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 \$9.2 million in 1H11 to a gross loss of \$1.7 million in 1H12. For 1H12, PCB operations posted a gross profit of \$2.1 million which was offsetted by a gross loss of \$3.8 million from remaining segments. Revenue generated from these remaining segments was less than the fixed manufacturing expenses such as labour cost, electricity and depreciation.

On a quarterly basis, gross profit dropped from \$5.6 million in 2Q11 to a gross loss of \$1.1 million in 2Q12.

### 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 39% from \$2.2 million in 1H11 to \$1.3 million in 1H12. This decrease was mainly due to drop in sales commission payable to sales representatives in processing sales for PCB manufacturing.

#### Other Expenses

The decrease in other expense by \$0.3 million was mainly due to the drop in exchange loss arising from appreciation of USD and JPY against RMB.

#### Finance Costs

Despite consistent repayment of bank loans, a slight increase of 2% 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 \$11.3 million at 2Q12. Pledged bank deposits decreased from \$0.6 million in 4Q11 to \$0.5 million in 2Q12.

The decrease in trade receivables of \$4.4 million is in line with the drop in sales. Generally, trade receivables is correlated with the revenue level of that quarter. Quarterly sales for 4Q11 dropped by \$2 million from \$19.6 million to \$17.6 million for 2Q12.

There was a slight increase in trade receivables turnover days from 107 days in 4Q11 to 112 days in 2Q12.

Other receivables and prepayments increased by \$1 million from \$2.4 million at 4Q11 to \$3.4 million at 2Q12. The increase is mainly due to prepayment made to suppliers by our China subsidiaries. In addition, it is also 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 \$6.1 million at 2Q12 was mainly due to stricter inventory management in our PCB operations.

The decrease of \$4.2 million in trade payables was in line with the decrease in inventory level for 2Q12.

Other payables decreased by \$2 million was mainly due to refund of deposit placed by customer in prior years, coupled with payout of accrued staff bonus in 1Q12.

Amount due to shareholders increased by \$2.4 million from \$12.3 million at 4Q11 to \$14.7 million at 2Q12 mainly due to more fundings received from shareholders in 2Q12.

Total gross borrowings had also reduced by \$3.6 million from \$41.1 million at 4Q11 to \$37.5 million at 2Q12. This was due to repayments of bank loans and finance leases.

The Group's net current liabilities position increased from \$7.8 million for 4Q11 to \$9.7 million for 2Q12.

As at 2Q12, the Group's current ratio (current assets/current liabilities) and debt/equity ratio are 0.83 and 1.1 respectively. The Group's equity (net assets) stands at \$54.3 million.

## Cash Flow

Cash outflow from operating activities of \$4.6 million in 2Q12 was mainly due to higher fixed operating costs, coupled with low sales revenue generated in 2Q12 which resulted in a drop in the collection from trade receivables.

Cash flow used in investing activities was mainly for new machinery components purchase for operational purpose.

Cash flow generated from financing activities of \$0.2 million in 2Q12 was mainly due to net amount raised from shareholders of \$2.3 million, offsetted by net loan repayments of \$2.1 million.

Cash and bank balances decreased by \$3.2 million from \$14.5 million in 2Q11 to \$11.3 million in 2Q12.

### **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, the Group is focusing on research and development of embedded technology in PCB manufacturing. Nevertheless, 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 second quarter ended 30 June 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 30.6.2012: \$47.0 million  Amount outstanding as at 30.6.2012: \$21.7 million	-
Loan from Sunny Worldwide Int'l Ltd (Amount outstanding as at 30.6.2012 is \$7.5 million)	Interest for the 6 months ended 30.6.2012: \$0.15 million	-
Loan from Mr Wen Yao-Long (Amount outstanding as at 30.6.2012 is \$7.2 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 2012.

**BY ORDER OF THE BOARD**

Wen Yao-Long  
Executive Chairman & CEO  
2 August 2012