

**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/<br>(Unfav)<br>% |
|--|-----------------|------------|----------------------|
|  | 12 months ended |            |                      |
|  | 31/12/2015      | 31/12/2014 |                      |
|  | \$'000          | \$'000     |                      |
| Revenue  | 52,493          | 57,771     | (9)                  |
| Cost of services   | (49,687)        | (52,108)   | 5                    |
| Gross profit   | 2,806           | 5,663      | (50)                 |
| Gross margin   | 5.3%            | 9.8%       |                      |
| Other income (including interest income)                       | 3,070           | 2,356      | 30                   |
| Administrative expenses  | (24,189)        | (11,603)   | (108)                |
| Distribution costs   | (1,821)         | (1,616)    | (13)                 |
| Other expenses   | (1,706)         | (3,673)    | 54                   |
| Share of loss of associate                                     | -               | (20)       | NM                   |
| Finance costs  | (1,296)         | (1,158)    | (12)                 |
| Loss before income tax   | (23,136)        | (10,051)   | (130)                |
| Income tax expense   | (796)           | (595)      | (34)                 |
| Net loss for the period  | (23,932)        | (10,646)   | (125)                |
| Attributable to:   |                 |            |                      |
| Equity holders of the parent                                   | (21,169)        | (10,101)   | (110)                |
| Non-controlling interest                                       | (2,763)         | (545)      | (407)                |
|  | (23,932)        | (10,646)   |                      |
| Statement of comprehensive income                              |                 |            |                      |
| Net loss for the period  | (23,932)        | (10,646)   | (125)                |
| Other comprehensive income:                                    |                 |            |                      |
| Items that may be reclassified subsequently to profit or loss: |                 |            |                      |
| Remeasurement of defined benefit obligation                    | -               | 77         | NM                   |
| Foreign currency translation                                   | 2,237           | (744)      | NM                   |
| Other comprehensive loss for the period                        | 2,237           | (667)      |                      |
| Total comprehensive loss for the period                        | (21,695)        | (11,313)   | (92)                 |
| Total comprehensive loss attributable to:                      |                 |            |                      |
| Equity holders of the parent                                   | (19,216)        | (10,990)   | (75)                 |
| Non-controlling interest                                       | (2,479)         | (323)      | (667)                |
|  | (21,695)        | (11,313)   | (92)                 |

|  | Group          |            | Fav/<br>(Unfav)<br>% |
|--|----------------|------------|----------------------|
|  | 3 months ended |            |                      |
|  | 31/12/2015     | 31/12/2014 |                      |
|  | \$'000         | \$'000     |                      |
| Revenue  | 11,040         | 16,356     | (33)                 |
| Cost of services   | (10,858)       | (14,497)   | 25                   |
| Gross profit   | 182            | 1,859      | (90)                 |
| Gross margin   | 1.6%           | 11.4%      |                      |
| Other income (including interest income)                       | (141)          | 1,337      | NM                   |
| Administrative expenses  | (15,151)       | (3,490)    | (334)                |
| Distribution costs   | (514)          | (423)      | (22)                 |
| Other expenses   | (921)          | (3,614)    | 75                   |
| Share of loss of associate                                     | -              | (20)       | NM                   |
| Finance costs  | (289)          | (310)      | 7                    |
| Loss before income tax   | (16,834)       | (4,661)    | (261)                |
| Income tax expense   | (796)          | (595)      | (34)                 |
| Net loss for the period  | (17,630)       | (5,256)    | (235)                |
| Attributable to:   |                |            |                      |
| Equity holders of the parent                                   | (15,470)       | (4,927)    | (214)                |
| Non-controlling interest                                       | (2,160)        | (329)      | (557)                |
|  | (17,630)       | (5,256)    |                      |
| Statement of comprehensive income                              |                |            |                      |
| Net loss for the period  | (17,630)       | (5,256)    | (235)                |
| Other comprehensive income:                                    |                |            |                      |
| Items that may be reclassified subsequently to profit or loss: |                |            |                      |
| Remeasurement of defined benefit obligation                    | -              | 77         | NM                   |
| Foreign currency translation                                   | 1,021          | (303)      | NM                   |
| Other comprehensive loss for the period                        | 1,021          | (226)      |                      |
| Total comprehensive loss for the period                        | (16,609)       | (5,482)    | (203)                |
| Total comprehensive loss attributable to:                      |                |            |                      |
| Equity holders of the parent                                   | (14,073)       | (5,545)    | (154)                |
| Non-controlling interest                                       | (2,536)        | 63         | NM                   |
|  | (16,609)       | (5,482)    | (203)                |

NM: Not meaningful

Net loss for the period as a percentage of revenue

-45.6%

-18.4%

-159.7%

-32.1%

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

|  |        |       |        |       |
|--|--------|-------|--------|-------|
| Depreciation of property, plant and equipment  | 6,579  | 9,024 | 1,818  | 3,205 |
| Impairment of goodwill                         | 82     | -     | 82     | -     |
| Impairment of land use rights                  | 1,063  | -     | 1,063  | -     |
| Impairment of property, plant equipment        | 11,408 | 1,197 | 11,408 | 2,029 |
| Impairment of investment in associate          | -      | 185   | -      | 185   |
| Share of loss of associate                     | -      | 20    | -      | 20    |
| Reversal of allowance for doubtful debts - net | (56)   | (42)  | (56)   | (42)  |
| Allowance for inventories                      | 150    | 588   | 150    | 588   |
| Defined benefits obligations                   | -      | 234   | -      | 234   |
| Loss on fair value of financial derivatives    | -      | 643   | -      | 643   |
| Amortisation of land use rights                | 96     | 96    | 30     | 52    |
| Provision for loss on share buy-back           | 1,554  | 714   | (100)  | 714   |
| Property, plant and equipment written off      | 1      | 4     | 1      | -     |
| Interest income                                | (22)   | (58)  | 32     | (4)   |
| Interest expense                               | 1,296  | 1,158 | 289    | 310   |

**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<br>31/12/2015<br>\$'000 | As at<br>31/12/2014<br>\$'000 | As at<br>31/12/2015<br>\$'000 | As at<br>31/12/2014<br>\$'000 |
| <b>Current assets</b>                                  |                               |                               |                               |                               |
| Cash and cash equivalents                              | 6,355                         | 6,916                         | 1,197                         | 404                           |
| Pledged bank deposits                                  | 1,919                         | 363                           | -                             | -                             |
| Structured deposits                                    | 17,105                        | 20,220                        | -                             | -                             |
| Trade receivables                                      | 12,071                        | 20,925                        | -                             | -                             |
| Other receivables and prepayments                      | 1,308                         | 2,652                         | 19                            | 4,816                         |
| Land use rights  | 100                           | 98                            | -                             | -                             |
| Inventories  | 4,295                         | 4,668                         | -                             | -                             |
| Total current assets                                   | 43,153                        | 55,842                        | 1,216                         | 5,220                         |
| <b>Non-current assets</b>                              |                               |                               |                               |                               |
| Investment in subsidiaries                             | -                             | -                             | 30,364                        | 45,339                        |
| Land use rights  | 2,937                         | 4,012                         | -                             | -                             |
| Property, plant and equipment                          | 18,561                        | 33,719                        | 750                           | 751                           |
| Other receivables                                      | 746                           | 794                           | -                             | -                             |
| Goodwill   | -                             | 82                            | -                             | -                             |
| Deferred tax asset                                     | 325                           | 33                            | -                             | -                             |
| Total non-current assets                               | 22,569                        | 38,640                        | 31,114                        | 46,090                        |
| <b>Total assets</b>                                    | <b>65,722</b>                 | <b>94,482</b>                 | <b>32,330</b>                 | <b>51,310</b>                 |
| <b>Current liabilities</b>                             |                               |                               |                               |                               |
| Trade payables   | 11,362                        | 14,108                        | -                             | -                             |
| Other payables   | 4,253                         | 5,135                         | 8,704                         | 8,178                         |
| Provisions   | 12,747                        | 11,193                        | 12,747                        | 11,193                        |
| Derivative financial instruments                       | 252                           | 88                            | -                             | -                             |
| Short-term bank loans                                  | 6,892                         | 7,632                         | -                             | -                             |
| Current portion of long-term bank loans                | 4,125                         | 3,667                         | -                             | -                             |
| Current portion of finance leases                      | -                             | 21                            | -                             | -                             |
| Due to shareholders                                    | 2,296                         | 5,311                         | 2,296                         | 5,311                         |
| Total current liabilities                              | 41,927                        | 47,155                        | 23,747                        | 24,682                        |
| <b>Non-current liabilities</b>                         |                               |                               |                               |                               |
| Retirement benefit obligations                         | 54                            | 589                           | -                             | -                             |
| Due to shareholders                                    | 11,060                        | 10,684                        | 11,060                        | 10,684                        |
| Long-term bank loans                                   | 6,769                         | 8,447                         | -                             | -                             |
| Total non-current liabilities                          | 17,883                        | 19,720                        | 11,060                        | 10,684                        |
| <b>Capital, reserves and non-controlling interests</b> |                               |                               |                               |                               |
| Share capital  | 56,127                        | 56,127                        | 56,127                        | 56,127                        |
| Reserves   | (54,720)                      | (35,504)                      | (58,604)                      | (40,183)                      |
| Equity attributable to equity holders of the company   | 1,407                         | 20,623                        | (2,477)                       | 15,944                        |
| Non-controlling interest                               | 4,505                         | 6,984                         | -                             | -                             |
| Total equity   | 5,912                         | 27,607                        | (2,477)                       | 15,944                        |
| <b>Total liabilities and equity</b>                    | <b>65,722</b>                 | <b>94,482</b>                 | <b>32,330</b>                 | <b>51,310</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 31/12/2015 |           | As at 31/12/2014 |           |
|------------------|-----------|------------------|-----------|
| Secured          | Unsecured | Secured          | Unsecured |
| \$'000           | \$'000    | \$'000           | \$'000    |
| 11,017           | 2,296     | 11,320           | 5,311     |

**The amount repayable after one year**

| As at 31/12/2015 |           | As at 31/12/2014 |           |
|------------------|-----------|------------------|-----------|
| Secured          | Unsecured | Secured          | Unsecured |
| \$'000           | \$'000    | \$'000           | \$'000    |
| 6,769            | 11,060    | 8,447            | 10,684    |

**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 December**

**Operating Activities:**

|  |         |         |
|--|---------|---------|
| Loss before Income Tax:                                |         |         |
| Adjustments for:-                                      |         |         |
| Depreciation of property, plant and equipment          | 6,579   | 9,024   |
| Impairment of goodwill                                 | 82      | -       |
| Impairment of land use rights                          | 1,063   | -       |
| Impairment of property, plant equipment                | 11,408  | 1,197   |
| Impairment of investment in associate                  | -       | 185     |
| Share of loss of associate                             | -       | 20      |
| Reversal of allowance for doubtful debts - net         | (56)    | (42)    |
| Allowance for inventories                              | 150     | 588     |
| Defined benefits obligations                           | -       | 234     |
| Loss on fair value of financial derivatives            | -       | 643     |
| Amortisation of land use rights                        | 96      | 96      |
| Provision for loss on share buy-back                   | 1,554   | 714     |
| Property, plant and equipment written off              | 1       | 4       |
| Interest income  | (22)    | (58)    |
| Interest expense                                       | 1,296   | 1,158   |
| Net foreign exchange gain                              | (1,843) | (2,040) |
| Loss on disposal of property, plant and equipment      | 1,416   | 1,329   |
| Operating (loss) profit before working capital changes | (1,411) | 3,001   |

**Changes in working capital:-**

|                                   |         |         |
|-----------------------------------|---------|---------|
| Trade receivables                 | 8,910   | 1,677   |
| Other receivables and prepayments | 1,392   | (361)   |
| Inventories                       | 223     | (621)   |
| Trade payables                    | (2,746) | (358)   |
| Other payables                    | (1,386) | (1,392) |
| Cash generated from operations    | 4,981   | 1,946   |
| Net interest paid                 | (1,274) | (1,100) |
| Income tax paid                   | -       | (15)    |

**Cash flows generated from operating activities**

**Investing Activities:**

|  |         |          |
|--|---------|----------|
| Decrease (Increase) in investment in structured deposits | 3,560   | (20,220) |
| Proceeds on disposal of property, plant and equipment    | 205     | 4,799    |
| Purchase of property, plant and equipment                | (3,732) | (3,170)  |

**Cash flows generated from (used in) investing activities**

**Financing Activities:**

|  |          |          |
|--|----------|----------|
| (Increase) Decrease in pledged bank deposits | (1,556)  | 246      |
| Repayment of bank loans                      | (34,596) | (17,575) |
| New bank loans raised                        | 34,820   | 20,588   |
| Repayment to shareholders                    | (3,712)  | (1,182)  |
| New loans from shareholders                  | 717      | 3,561    |
| Repayment of finance lease obligations       | (21)     | (21)     |

**Cash flows (used in) generated from financing activities**

**Net (decrease) increase in cash and cash equivalents**

|  |       |        |
|--|-------|--------|
| Cash and cash equivalents at beginning of period                                   | 6,916 | 18,997 |
| Effect of exchange rate changes on the balances of cash held in foreign currencies | 46    | 62     |

**Cash and cash equivalents at end of period**

| Group           |            |
|-----------------|------------|
| 12 months ended |            |
| 31/12/2015      | 31/12/2014 |
| \$'000          | \$'000     |
| (23,136)        | (10,051)   |
| 6,579           | 9,024      |
| 82              | -          |
| 1,063           | -          |
| 11,408          | 1,197      |
| -               | 185        |
| -               | 20         |
| (56)            | (42)       |
| 150             | 588        |
| -               | 234        |
| -               | 643        |
| 96              | 96         |
| 1,554           | 714        |
| 1               | 4          |
| (22)            | (58)       |
| 1,296           | 1,158      |
| (1,843)         | (2,040)    |
| 1,416           | 1,329      |
| (1,411)         | 3,001      |
| 8,910           | 1,677      |
| 1,392           | (361)      |
| 223             | (621)      |
| (2,746)         | (358)      |
| (1,386)         | (1,392)    |
| 4,981           | 1,946      |
| (1,274)         | (1,100)    |
| -               | (15)       |
| 3,707           | 831        |
| 3,560           | (20,220)   |
| 205             | 4,799      |
| (3,732)         | (3,170)    |
| 33              | (18,591)   |
| (1,556)         | 246        |
| (34,596)        | (17,575)   |
| 34,820          | 20,588     |
| (3,712)         | (1,182)    |
| 717             | 3,561      |
| (21)            | (21)       |
| (4,348)         | 5,617      |
| (607)           | (12,143)   |
| 6,916           | 18,997     |
| 46              | 62         |
| 6,355           | 6,916      |

| Group          |            |
|----------------|------------|
| 3 months ended |            |
| 31/12/2015     | 31/12/2014 |
| \$'000         | \$'000     |
| (16,834)       | (4,661)    |
| 1,818          | 3,205      |
| 82             | -          |
| 1,063          | -          |
| 11,408         | 2,029      |
| -              | 185        |
| -              | 20         |
| (56)           | (42)       |
| 150            | 588        |
| -              | 234        |
| -              | 643        |
| 30             | 52         |
| (100)          | 714        |
| 1              | -          |
| 32             | (4)        |
| 289            | 310        |
| 900            | (2,142)    |
| 712            | 1,495      |
| (505)          | 2,626      |
| 2,445          | (2,752)    |
| (421)          | (1,254)    |
| (464)          | (669)      |
| 1,023          | 1,527      |
| 401            | 2,124      |
| 2,479          | 1,602      |
| (321)          | (306)      |
| -              | (15)       |
| 2,158          | 1,281      |
| 1,692          | (20,220)   |
| (3)            | 416        |
| (2,333)        | (1,193)    |
| (644)          | (20,997)   |
| (1,582)        | (363)      |
| (21,665)       | (2,091)    |
| 22,379         | 8,308      |
| (382)          | (488)      |
| (7)            | 552        |
| -              | 3          |
| (1,257)        | 5,921      |
| 257            | (13,795)   |
| 6,106          | 20,646     |
| (8)            | 65         |
| 6,355          | 6,916      |

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 December

|   | Share<br>capital<br>\$'000 | Currency<br>translation<br>reserves<br>\$'000 | Statutory<br>reserves<br>\$'000 | Other reserves<br>\$'000 | Accumulated<br>profits (losses)<br>\$'000 | Total attributable<br>to equity holders<br>of the company<br>\$'000 | Minority interests<br>\$'000 | Total<br>\$'000 |
|---|----------------------------|---|---------------------------------|--------------------------|---|---|------------------------------|-----------------|
| <b>Group</b>                            |                            |   |                                 |                          |   |   |                              |                 |
| <b>At 1 January 2014</b>                | <b>56,127</b>              | <b>(7,585)</b>                                | <b>7,781</b>                    | <b>(2,993)</b>           | <b>(21,717)</b>                           | <b>31,613</b>   | <b>7,307</b>                 | <b>38,920</b>   |
| Loss for the period                     | -                          | -   | -                               | -                        | (10,101)                                  | (10,101)  | (545)                        | (10,646)        |
| Other comprehensive loss for the period | -                          | (1,091)                                       | -                               | -                        | 202                                       | (889)   | 222                          | (667)           |
| Total                                   | -                          | (1,091)                                       | -                               | -                        | (9,899)                                   | (10,990)  | (323)                        | (11,313)        |
| Transfer to statutory reserves          | -                          | -   | 131                             | -                        | (131)                                     | -   | -                            | -               |
| <b>At 31 December 2014</b>              | <b>56,127</b>              | <b>(8,676)</b>                                | <b>7,912</b>                    | <b>(2,993)</b>           | <b>(31,747)</b>                           | <b>20,623</b>   | <b>6,984</b>                 | <b>27,607</b>   |
| <b>At 1 January 2015</b>                | <b>56,127</b>              | <b>(8,676)</b>                                | <b>7,912</b>                    | <b>(2,993)</b>           | <b>(31,747)</b>                           | <b>20,623</b>   | <b>6,984</b>                 | <b>27,607</b>   |
| Loss for the period                     | -                          | -   | -                               | -                        | (21,169)                                  | (21,169)  | (2,763)                      | (23,932)        |
| Other comprehensive loss for the period | -                          | 507   | (79)                            | -                        | 1,525                                     | 1,953   | 284                          | 2,237           |
| Total                                   | -                          | 507   | (79)                            | -                        | (19,644)                                  | (19,216)  | (2,479)                      | (21,695)        |
| <b>At 31 December 2015</b>              | <b>56,127</b>              | <b>(8,169)</b>                                | <b>7,833</b>                    | <b>(2,993)</b>           | <b>(51,391)</b>                           | <b>1,407</b>  | <b>4,505</b>                 | <b>5,912</b>    |
| <b>Company</b>                          |                            |   |                                 |                          |   |   |                              |                 |
| <b>At 1 January 2014</b>                | <b>56,127</b>              | <b>1,603</b>                                  | <b>-</b>                        | <b>-</b>                 | <b>(12,393)</b>                           | <b>45,337</b>   | <b>-</b>                     | <b>45,337</b>   |
| Loss for the period                     | -                          | -   | -                               | -                        | (29,174)                                  | (29,174)  | -                            | (29,174)        |
| Other comprehensive loss for the period | -                          | (219)   | -                               | -                        | -   | (219)   | -                            | (219)           |
| Total                                   | -                          | (219)   | -                               | -                        | (29,174)                                  | (29,393)  | -                            | (29,393)        |
| <b>At 31 December 2014</b>              | <b>56,127</b>              | <b>1,384</b>                                  | <b>-</b>                        | <b>-</b>                 | <b>(41,567)</b>                           | <b>15,944</b>   | <b>-</b>                     | <b>15,944</b>   |
| <b>At 1 January 2015</b>                | <b>56,127</b>              | <b>1,384</b>                                  | <b>-</b>                        | <b>-</b>                 | <b>(41,567)</b>                           | <b>15,944</b>   | <b>-</b>                     | <b>15,944</b>   |
| Loss for the period                     | -                          | -   | -                               | -                        | (18,840)                                  | (18,840)  | -                            | (18,840)        |
| Other comprehensive loss for the period | -                          | 419   | -                               | -                        | -   | 419   | -                            | 419             |
| Total                                   | -                          | 419   | -                               | -                        | (18,840)                                  | (18,421)  | -                            | (18,421)        |
| <b>At 31 December 2015</b>              | <b>56,127</b>              | <b>1,803</b>                                  | <b>-</b>                        | <b>-</b>                 | <b>(60,407)</b>                           | <b>(2,477)</b>  | <b>-</b>                     | <b>(2,477)</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 October 2015 to 31 December 2015, 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<br>31/12/2015 | As at<br>31/12/2014 |
|---|---------------------|---------------------|
| 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 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 2014. 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 2015.

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.

|   | Group           |             | Group          |             |
|---|-----------------|-------------|----------------|-------------|
|   | 12 months ended |             | 3 months ended |             |
|   | 31/12/2015      | 31/12/2014  | 31/12/2015     | 31/12/2014  |
| 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     | (3.71)          | (1.77)      | (2.71)         | (0.86)      |
| Weighted average number of shares   | 570,000,000     | 570,000,000 | 570,000,000    | 570,000,000 |
| (ii) On a fully diluted basis (cts)   | (3.71)          | (1.77)      | (2.71)         | (0.86)      |
| Weighted average number of shares   | 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.

|  | Group               |                     | Company             |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | As at<br>31/12/2015 | As at<br>31/12/2014 | As at<br>31/12/2015 | As at<br>31/12/2014 |
| Net asset value per ordinary share (cts) | 0.25                | 3.60                | -0.43               | 2.80                |
| 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 financial year ended 31 December 2015 ("FY15"), the Group reported revenue of \$52.5 million, a decrease of 9% from \$57.8 million in the corresponding period in 2014 ("FY14"). However, for the three months ended 31 December 2015 ("4Q15"), the Group reported revenue of \$11.0 million, a decrease of 33% from \$16.4 million from the corresponding period in 2014 ("4Q14"). This decrease across the Board is due to weaker business environment as compared to prior period.

### PCB Operations

PCB operations continue to be the major contributor accounting for 89% of our Group's revenue in FY15. Revenue from PCB operations decreased by 10% from \$51.5 million in FY14 to \$46.5 million in FY15.

On a quarterly basis, revenue from PCB operations decreased by 34% from \$14.9 million in 4Q14 to \$9.9 million in 4Q15 due to weaker business sentiments.

### Mechanical Drilling and Routing

Revenue from Mechanical drilling and Routing segment decrease by 11% from \$6.4 million in FY14 to \$5.7 million in FY15. 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 14% from \$1.4 million in 4Q14 to \$1.2 million in 4Q15.

### Geographical Markets

China operations remained as the key contributor to Group's revenue in 4Q15 at 81%.

### Profitability

#### Gross Profit

Gross profit decreased from \$5.7 million in FY14 to \$2.8 million in FY15. PCB operations posted a gross profit of \$3.3 million which was partially offsetted by Mechanical drilling and Routing segment's gross loss of \$0.6 million. The gross loss from Mechanical drilling and Routing arises from fixed manufacturing expenses such as labour cost, electricity and depreciation.

On a quarterly basis, a gross profit of \$0.2 million was reported for 4Q15. This slight gross profit was due to decrease in PCB operations revenue in 4Q15, coupled with high fixed manufacturing expenses.

### Expenses

#### Other Income

The increase in other income is mainly due to interest income received from structured deposits and net exchange gain of \$1.9 million. Structured deposits earn a higher interest and Eucon starts investing in it since 2Q14. Net exchange gains arise from the strengthening of Renminbi against Singapore dollars.

For 4Q15, the negative \$141,000 was due to exchange fluctuations in 4Q15 where a lower exchange gain was reported as compared to the previous quarter.

#### Administrative Expenses

The increase in administrative expenses is mainly due to impairment of property, plant equipment amounting to \$11.4 million, coupled with impairment of land use rights of \$1.1 million in FY15.

#### Distribution Costs

There is a slight increase in distribution costs from \$1.6 million in FY14 to \$1.8 million FY15 as a result of increase in sales commission. Distribution costs comprise mainly sales commission payable to sales representatives in processing sales for PCB manufacturing and related delivery costs.

#### Other Expenses

The decrease of other expenses in FY15 is due to the following expenses incurred in FY14. They are impairment on property, plant equipment, impairment of investment in associates, defined benefits obligations and loss on fair value of financial derivatives totalling to \$2.3 million.

#### Finance Costs

The slight increase in finance cost is due to higher interest expense incurred for FY15. In FY14, upon maturity of certain bank loans, there was a time gap of 2 months before they were re-financed.

## Balance Sheet

In 2015, there was a transfer of \$3.6 million of structured deposits back to cash and cash equivalents. In total, the Group's structured deposits and cash and cash equivalents decreased from \$27.1 million to \$23.4 million.

Pledged bank deposits increased from \$0.4 million in FY14 to \$1.9 million in FY15.

Trade receivables decreased significantly by \$8.8 million from \$20.9 million as at 4Q14 to \$12.1 million as at 4Q15 due to improved receivables collection. Trade receivables turnover days improved from 132 days to 99 days from 4Q14 to 4Q15. The Group's trade receivable's credit period ranges from 45 days to 150 days.

Other receivables and prepayments decreased by \$1.3 million from \$3.4 million at 4Q14 to \$2.1 million at 4Q15. 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 slight decrease in inventory level from \$4.7 million at 4Q14 to \$4.3 million at 4Q15 was mainly due to better cost control.

The decrease in land use rights from \$4.0 million at 4Q14 to \$2.9 million at 4Q15 was mainly due to impairment of \$1.1 million in FY15.

The decrease in property, plant and equipment arises mainly from impairment of property, plant equipment of \$11.4 million coupled with depreciation.

Trade and other payables decreased by \$3.6 million from \$19.2 million at 4Q14 to \$15.6 million at 4Q15. The decrease in trade payable is due to a reduction in purchase of inventory as a result of lower sales forecasted. Inventory purchases are generally made 1 month in advance. The slight decrease in other payables was in line with the lower sales forecast, coupled with lower bonuses as well as decrease in net VAT payables.

Additional provision was made upon signing of the 2nd supplemental agreement with Hongta in July 2015. In the 2nd supplemental, Hongta will postpone its exercising of buy-back option for 12 months from 3 August 2015 to 2 August 2016. Necessary announcement had been made on 22 July 2015.

Derivative financial statements pertain to estimated liability on the fair value of the forward foreign exchange contracts.

Amount due to shareholders decreased by \$2.6 million from \$16.0 million as at FY14 to \$13.4 million as at FY15.

Total gross borrowings decreased slightly from \$19.8 million at 4Q14 to \$17.8 million at 4Q15.

The Group's net working capital position decreased by \$7.4 million from a \$8.7 million net asset position for 4Q14 to a \$1.3 million net asset position for 4Q15.

As at 4Q15, the Group's current ratio (current assets/current liabilities) and debt/equity ratio are 1.03 and 10.1 respectively. The Group's equity (net assets) stands at \$5.9 million. The negative equity of \$2.5 million at Company level is due to additional \$16.0 million impairment of investment being taken up in FY15.

## Cash Flow

Cash flow generated from operating activities of \$2.2 million in 4Q15 was mainly due to increase in receivables collection, coupled with slower repayments.

Cash flow used in investing activities of \$0.6 million in 4Q15 was mainly due to decrease in structured deposits and partially offsetted by replacement of machineries due to wear and tear.

Cash flow used in financing activities of \$1.3 million in 4Q15 was mainly due to repayment of loan borrowings and repayments to shareholders, coupled

Cash and bank balances slightly decreased by \$0.5 million from \$6.9 million in 4Q14 to \$6.4 million in 4Q15.

## 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.

Eucon Group had seen improvements in cost control after focusing on cost restructuring. Going forward, Eucon Group will focus on strengthening its sales and marketing aspects.

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 fourth quarter ended 31 December 2015.

**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.

(a) Analysis by Reportable Segment

Segment revenue and expense are revenue and expense reported in the group's profit or loss that are either directly attributable to a segment or can be allocated on a reasonable basis to a segment.

Segment assets are all operating assets that are employed by a segment in its operating activities and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment assets exclude interest-producing assets.

Segment liabilities are all operating liabilities of a segment and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment liabilities exclude interest-bearing liabilities and income tax liabilities.

Information regarding the group's reportable segments prepared based on measurement principles of FRS is presented below.

| Revenue and Expenses<br>(by business segments)<br>(\$'000) | Mechanical Drilling and Routing Services |         | PCB operations |         | Total    |          |
|--|--|---------|----------------|---------|----------|----------|
|  | 2015                                     | 2014    | 2015           | 2014    | 2015     | 2014     |
| Segment revenue to external parties                        | 5,708                                    | 6,352   | 46,785         | 51,419  | 52,493   | 57,771   |
| Segment results  | (9,836)                                  | (3,708) | (11,522)       | (5,503) | (21,357) | (9,211)  |
| Other income   |  |         |                |         | 3,070    | 2,356    |
| Unallocated corporate expenses                             |  |         |                |         | (3,053)  | (2,038)  |
| Finance costs  |  |         |                |         | (1,296)  | (1,158)  |
| Loss before income tax                                     |  |         |                |         | (22,636) | (10,051) |
| Income tax expense   |  |         |                |         | (796)    | (595)    |
| Net loss attributable to the Group                         |  |         |                |         | (23,932) | (10,646) |



|  |        |        |        |        |        |        |
|--|--------|--------|--------|--------|--------|--------|
| <b>Assets and Liabilities</b>                    |        |        |        |        |        |        |
| Segment assets                                   | 27,375 | 34,355 | 34,652 | 57,101 | 62,026 | 91,456 |
| Unallocated corporate assets                     |        |        |        |        | 3,696  | 3,026  |
| Consolidated total assets                        |        |        |        |        | 65,722 | 94,482 |
| Segment liabilities                              | 5,500  | 7,293  | 27,676 | 24,184 | 33,176 | 31,477 |
| Unallocated corporate liabilities                |        |        |        |        | 26,634 | 35,398 |
| Consolidated total liabilities                   |        |        |        |        | 59,810 | 66,875 |
| <u>Additions to non-current assets:</u>          |        |        |        |        |        |        |
| - Property, plant and equipment                  | 294    | 2,485  | 3,438  | 671    | 3,732  | 3,156  |
| Property, plant and equipment written off        | 1      | -      | -      | -      | 1      | -      |
| Depreciation                                     | 2,225  | 5,768  | 4,354  | 3,240  | 6,579  | 9,008  |
| Amortisation of land use rights                  | 44     | 44     | 52     | 52     | 96     | 96     |
| Impairment loss on land use rights (Reversal)    | -      | -      | 1,063  | -      | 1,063  | -      |
| Allowance for doubtful debts (Reversal)          | (80)   | (63)   | 24     | 21     | (56)   | (42)   |
| Impairment loss on property, plant and equipment | 5,292  | (102)  | 6,116  | 1,299  | 11,408 | 1,197  |
| <u>Unallocated corporate expenditure:</u>        |        |        |        |        |        |        |
| Capital expenditure                              |        |        |        |        | 14     | 14     |
| Depreciation                                     |        |        |        |        | 17     | 16     |

**(b) Analysis by Geographical Information**

Segment revenue is analysed based on the location of customers.

Total revenue and non-current assets (excluding financial assets, deferred tax assets and goodwill) are analysed based on the location of those assets.

| Revenue<br>(by geographical segments)<br>(\$'000) | People's Republic of China |        | Taiwan |       | Singapore |      | Total  |        |
|---|----------------------------|--------|--------|-------|-----------|------|--------|--------|
|   | 2015                       | 2014   | 2015   | 2014  | 2015      | 2014 | 2015   | 2014   |
| Segment revenue                                   | 41,380                     | 54,170 | 11,113 | 3,513 | -         | 88   | 52,493 | 57,771 |
| Segment non-current assets                        | 18,072                     | 33,569 | 3,686  | 3,409 | 750       | 751  | 22,508 | 37,729 |

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:

|   | Group           |          |           |
|---|-----------------|----------|-----------|
|   | 12 months ended |          |           |
|   | 31/12/15        | 31/12/14 | Inc/(Dec) |
|   | \$'000          | \$'000   | %         |
| Sales reported from continuing operations for the first half year | 29,915          | 26,562   | 13        |
| Net loss for first half year                                      | (2,239)         | (4,505)  | 50        |
| Sales reported from continuing operations for second half year    | 22,578          | 31,209   | (28)      |
| Net loss for second half year                                     | (9,018)         | (6,141)  | (47)      |

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 31.12.2015:<br>\$14.7 million<br><br>Amount outstanding as at 31.12.2015:<br>\$13.9 million  | -   |
| Loan from Sunny Worldwide Int'l Ltd (Amount outstanding as at 31.12.2015 is \$11.1 million)   | Interest for the 12 months ended 31.12.2015:<br>\$0.38 million  | -   |
| Loan from Mr Wen Yao-Long (Amount outstanding as at 31.12.2015 is \$2.3 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 December 2015.

**BY ORDER OF THE BOARD**

Wen Yao-Long  
Executive Chairman & CEO  
29 February 2016