

# Unionmet (Singapore) Limited

(Incorporated in Singapore)  
(Co. Reg. No: 200409104W)

## UNAUDITED QUARTERLY FINANCIAL STATEMENT ANNOUNCEMENT FOR THE FULL YEAR ENDED 30 NOVEMBER 2011

### PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF FULL YEAR RESULTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Board of Directors hereby announces the results of the Group for the full year ended 30 November 2011. These figures have not been audited.

#### 1(a)(i) Group Consolidated Statement of Comprehensive Income

	Group		
	US\$'000		%
	Unaudited	Audited	
	30/11/2011	30/11/2010	Increase/ (Decrease)
<u>Continuing operations</u>			
Revenue	1,842	23,183	(92.1)
Cost of sales	(1,923)	(19,649)	(90.2)
<b>Gross (loss)/profit</b>	<b>(81)</b>	<b>3,534</b>	<b>(102.3)</b>
Other income	2,540	474	435.9
Selling and distribution expenses	(4)	(196)	(98.0)
General and administrative expenses	(2,447)	(2,179)	12.3
Other expenses	-	(312)	(100.0)
<b>Profit before tax</b>	<b>8</b>	<b>1,321</b>	<b>(99.4)</b>
Income tax	53	(310)	(117.1)
<b>Profit after tax</b>	<b>61</b>	<b>1,011</b>	<b>(94.0)</b>
<u>Discontinuing operations</u>			
Net loss from discontinuing operations	(159)	(699)	(77.3)
<b>Net (loss)/profit after tax for the year</b>	<b>(98)</b>	<b>312</b>	<b>(131.4)</b>
<b>Attributable to owners of the parent</b>			
Net profit from continuing operations	61	1,011	(94.0)
Net loss from discontinuing operations	(159)	(699)	(77.3)
<b>Net (loss)/profit for the period attributable to owners of the parent</b>	<b>(98)</b>	<b>312</b>	<b>(131.4)</b>
<u>Other comprehensive income:</u>			
Currency translation difference arising from consolidation	559	360	55.3
<b>Total other comprehensive income</b>	<b>559</b>	<b>360</b>	<b>55.3</b>
Total comprehensive income from continuing operations	714	1,401	(49.0)
Total comprehensive income from discontinuing operations	(253)	(729)	(65.3)
<b>Total comprehensive income for the period attributable to owners of the parent</b>	<b>461</b>	<b>672</b>	<b>(31.4)</b>

**1(a)(ii) Notes to Group Consolidated Statement of Comprehensive Income**

(Loss)/profit from ordinary activities is stated after charging/(crediting):

	<b>Group</b>	
	<b>US\$'000</b>	
	<b>Unaudited</b>	<b>Audited</b>
	<b>30/11/2011</b>	<b>30/11/2010</b>
<u>Continuing operations</u>		
Depreciation of property, plant and equipment	60	152
Exchange gain, net	(74)	(173)
Derivative financial instruments:		
- Net realised loss on derivative financial instruments	-	10
Interest income	(222)	(118)
Inventories write-down/(reversal of inventories write-down), net	463	(915)
Reversal of provision for doubtful debts	-	(123)
(Gain)/loss on disposal of property, plant and equipment	(33)	12
Impairment loss on property, plant and equipment	-	250
Gain on disposal of subsidiaries	(303)	-
Machinery rental expenses	2	44
Rental expenses	149	305
Subsidy income	(87)	-
Compensation for land	(1,710)	-
<u>Discontinuing operations</u>		
Depreciation of property, plant and equipment	120	453
(Reversal of inventories write-down)/inventories write-down, net	(114)	121
Machinery rental expenses	8	23
Rental expenses	2	3
Research and development expenses	72	433

Breakdown of other income

	Group	
	US\$'000	
	Unaudited	Audited
	30/11/2011	30/11/2010
<u>Continuing operations</u>		
Exchange gain, net	74	173
Interest income	222	118
Reversal of provision for doubtful debts	-	123
Sale of scrap materials	110	-
Gain on disposal of property, plant and equipment	33	-
Gain on disposal of subsidiaries	303	-
Compensation for land	1,710	-
Subsidy income	87	47
Sundry income	1	7
Others	-	6
<b>Total other income from continuing operations</b>	<b>2,540</b>	<b>474</b>
<u>Discontinuing operations</u>		
Subsidy income	-	6
Sundry income	5	48
<b>Total other income from discontinuing operations</b>	<b>5</b>	<b>54</b>

Breakdown of other expenses

	Group	
	US\$'000	
	Unaudited	Audited
	30/11/2011	30/11/2010
<u>Continuing operations</u>		
Net realised loss on derivative financial instruments	-	10
Loss on disposal of property, plant and equipment	-	12
Impairment loss on property, plant and equipment	-	250
Loss on sale of raw materials	-	20
Others	-	20
<b>Total other expenses from continuing operations</b>	<b>-</b>	<b>312</b>

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Group		Company	
	US\$'000		US\$'000	
	Unaudited	Audited	Unaudited	Audited
	30/11/2011	30/11/2010	30/11/2011	30/11/2010
<b>Non-current assets</b>				
Property, plant and equipment	230	1,104	71	93
Deferred tax assets	141	2	-	-
Investments in subsidiaries	-	-	4,438	5,278
Land use rights	804	-	-	-
	<b>1,175</b>	<b>1,106</b>	<b>4,509</b>	<b>5,371</b>
<b>Current assets</b>				
Cash and short-term deposits	34,700	35,090	23,876	25,274
Trade receivables	-	40	-	-
Other receivables and prepayments	4,674	693	92	79
Tax recoverable	7	6	-	-
Inventories	1,501	1,130	100	100
	<b>40,882</b>	<b>36,959</b>	<b>24,068</b>	<b>25,453</b>
<b>Current liabilities</b>				
Trade payables	5	11	-	2
Other payables	421	731	178	184
Tax payable	47	261	-	-
Deferred revenue	3,975	-	-	-
	<b>4,448</b>	<b>1,003</b>	<b>178</b>	<b>186</b>
<b>Net current assets</b>	<b>36,434</b>	<b>35,956</b>	<b>23,890</b>	<b>25,267</b>
<b>Non-current liability</b>				
Deferred tax liabilities	143	57	-	-
<b>Net assets</b>	<b>37,466</b>	<b>37,005</b>	<b>28,399</b>	<b>30,638</b>
<b>Equity attributable to owners of the parent</b>				
Share capital	32,794	32,794	32,794	32,794
Reserves/(accumulated losses)	4,672	4,211	(4,395)	(2,156)
	<b>37,466</b>	<b>37,005</b>	<b>28,399</b>	<b>30,638</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

**Amount repayable in one year or less, or on demand**

<b>As at 30/11/2011</b>		<b>As at 30/11/2010</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
-	-	-	-

**Amount repayable after one year**

<b>As at 30/11/2011</b>		<b>As at 30/11/2010</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
-	-	-	-

**Details of any collateral**

Not applicable.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	US\$'000	
	Unaudited 30/11/2011	Audited 30/11/2010
<b>Cash flows from operating activities:</b>		
Profit before tax from continuing operations	8	1,321
Loss before tax from discontinuing operations	(159)	(699)
(Loss)/profit before tax, total	<b>(151)</b>	<b>622</b>
Adjustments for:		
Depreciation of property, plant and equipment	180	605
Amortization of land use rights	3	-
Interest income	(222)	(118)
Inventories write-down/(reversal of inventories write-down), net	349	(794)
(Gain)/loss on disposal of property, plant and equipment	(33)	12
Impairment loss on property, plant and equipment	-	250
Reversal of provision for doubtful debts	-	(123)
Gain on disposal of subsidiaries	(303)	-
Unrealised exchange gain, net	(9)	(132)
Foreign currency translation	(55)	298
<b>Operating cash flows used in before working capital changes</b>	<b>(241)</b>	<b>620</b>
Decrease in trade receivables	22	1,011
(Increase)/decrease in other receivables and prepayments	(4,137)	456
(Increase)/decrease in inventories	(1,207)	9,967
Increase/(decrease) in trade payables	663	(280)
Increase in other payables	1,040	228
Increase in deferred revenue	3,975	-
<b>Cash flows generated from operations</b>	<b>115</b>	<b>12,002</b>
Income tax (paid)/refund	(215)	27
Interest received	222	59
<b>Net cash flows generated from operating activities</b>	<b>122</b>	<b>12,088</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(132)	(350)
Purchase of land use rights	(806)	-
Sales proceed of property, plant and equipment	74	61
Cash outflow for disposal of subsidiary	(219)	-
<b>Net cash flows used in investing activities</b>	<b>(1,083)</b>	<b>(289)</b>
Net (decrease)/increase in cash and cash equivalents	(961)	11,799
Effect of exchange rate changes on cash and cash equivalents	571	111
Cash and cash equivalents at beginning of year	35,090	23,180
<b>Cash and cash equivalents at end of year</b>	<b>34,700</b>	<b>35,090</b>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share capital	Statutory reserve	Accumulated losses	Foreign currency translation reserve	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Current Year – FY2011</b>					
Opening Balance at 1 December 2010	32,794	2,030	(711)	2,892	37,005
Loss for the year	-	-	(98)	-	(98)
Other comprehensive income	-	-	-	559	559
<b>Total comprehensive income for the year</b>	-	-	<b>(98)</b>	<b>559</b>	<b>461</b>
Transfer to statutory reserve	-	81	(81)	-	-
<b>Closing Balance at 30 November 2011</b>	<b>32,794</b>	<b>2,111</b>	<b>(890)</b>	<b>3,451</b>	<b>37,466</b>
<b>Previous Year – FY2010</b>					
Opening Balance at 1 December 2009	32,794	2,020	(1,013)	2,532	36,333
Profit for the year	-	-	312	-	312
Other comprehensive income	-	-	-	360	360
<b>Total comprehensive income for the year</b>	-	-	<b>312</b>	<b>360</b>	<b>672</b>
Transfer to statutory reserve	-	10	(10)	-	-
<b>Closing Balance at 30 November 2010</b>	<b>32,794</b>	<b>2,030</b>	<b>(711)</b>	<b>2,892</b>	<b>37,005</b>

Company	Share capital	Accumulated losses	Total
	US\$'000	US\$'000	US\$'000
<b>Current Year – FY2011</b>			
Opening Balance at 1 December 2010	32,794	(2,156)	30,638
Loss for the year	-	(2,239)	(2,239)
<b>Total comprehensive income for the year</b>	-	<b>(2,239)</b>	<b>(2,239)</b>
<b>Closing Balance at 30 November 2011</b>	<b>32,794</b>	<b>(4,395)</b>	<b>28,399</b>
<b>Previous Year – FY2010</b>			
Opening Balance at 1 December 2009	32,794	(4,026)	28,768
Profit for the year	-	1,870	1,870
<b>Total comprehensive income for the year</b>	-	<b>1,870</b>	<b>1,870</b>
<b>Closing Balance at 30 November 2010</b>	<b>32,794</b>	<b>(2,156)</b>	<b>30,638</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.**

There has been no change in the Company's share capital since the end of the financial year ended 30 November 2010.

There were no shares held as treasury shares and the Company does not have any shares that may be issued on conversion of any outstanding convertibles as at 30 November 2011 and 30 November 2010.

- 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.**

Total number of issued shares as at 30 November 2011 and 30 November 2010 respectively was 613,553,995 shares (no treasury shares).

- 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.**

These figures have neither been audited nor reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a 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 all the new/revised Singapore Financial Reporting Standards ("new/revised FRSs") that became effective on or after 1 December 2010. Except for the adoption of these new/revised FRSs as disclosed in item 5, the Group has consistently adopted the same accounting policies and methods of computations as stated in the audited financial statements of the Group for the financial year ended 30 November 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 the effect of, the change.**

The Group has adopted the applicable new and revised Financial Reporting Standards ("FRS") and Interpretations of Financial Reporting Standards ("INT FRS") which became effective for the accounting periods beginning on or after 1 December 2010.

On 1 December 2010, the Group adopted the new or revised Singapore Financial Reporting Standards (FRS) and Interpretations (INT FRS) that are effective in this financial year. The FRS that is relevant to the Group includes:

FRS 32 (revised) Financial Instruments FRS32 (revised) which requires the classification of Rights Issues is applicable for annual periods beginning on or after 1 February 2010. The FRS32 (revised) addresses the accounting for rights issues (rights, options, or warrants) that are denominated in a currency other than the functional currency of the issuer. The amendments states that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount of any currency are equity instruments, regardless of the currency in which the exercise price is denominated, if the entity offers the rights, options, or warrants pro-rata to all of its existing owners of the same class of its own non-derivative equity instruments.

There was no material impact of such changes in the above-mentioned accounting policies to the Group's results for the quarter ended 30 November 2011.

Other than the above, the same accounting policies and methods of computation as in the Group's most recently audited financial statements for the year ended 30 November 2010 have been applied.

**6. Earnings/(Losses) per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group	
	30/11/2011	30/11/2010
Earnings per ordinary share from continuing operations of the group, after deducting any provision for preference dividends (in US cents):		
(a) Based on weighted average number of ordinary shares on issue; and	0.01	0.16
Weighted average number of ordinary shares for basic losses per share computation	613,553,995	613,553,995
(b) On a fully diluted basis	0.01	0.16
Weighted average number of ordinary shares adjusted for the effect for dilution	613,553,995	613,553,995

	Group	
	30/11/2011	30/11/2010
Losses per ordinary share from discontinuing operations of the group, after deducting any provision for preference dividends (in US cents):		
(a) Based on weighted average number of ordinary shares on issue; and	(0.03)	(0.11)
Weighted average number of ordinary shares for basic losses per share computation	613,553,995	613,553,995
(b) On a fully diluted basis	(0.03)	(0.11)
Weighted average number of ordinary shares adjusted for the effect for dilution	613,553,995	613,553,995

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

	Group		Company	
	30/11/2011	30/11/2010	30/11/2011	30/11/2010
Net asset value per ordinary share based on issued share capital at the end of the respective periods (in US cents):	6.11	6.03	4.63	4.99
No. of ordinary shares used in computing net asset value	613,553,995	613,553,995	613,553,995	613,553,995

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**  
**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**  
**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

#### **REVIEW OF PERFORMANCE (FULL YEAR - FY2011 VS FY2010)**

##### **CONTINUING OPERATIONS**

##### **Revenue**

The Group's total revenue decreased by approximately US\$21.3 million or 92.1% to approximately US\$1.8 million for the year ended 30 November 2011 ("FY2011"). This was due mainly to lower sales of indium and zinc-related products.

The reduction in sale of indium was due mainly to low indium production output by the Company's subsidiary, Guangxi Intai Technology Co., Ltd ("Intai") as a result of the following:

- a) Cessation of the Group's indium production during the first quarter of the year ("1Q2011") and focusing of efforts on the logistics issues relating to the relocation of some of its indium production facilities; and
- b) Although Intai had restarted its indium production at the end of April 2011, production had been kept to a minimum level due to the relatively high raw material prices during the year, which would have made it uneconomical to produce indium.

In addition, the Group had not been able to produce coarse indium since 1Q2011 as production had been affected by the relocation of some of Intai's production facilities and factory buildings as disclosed previously in the Group's quarter results announcement.

The lower sale of zinc-related products was due mainly to cessation of the zinc processing arrangement between the Company's subsidiary, Liuzhou Union Zinc Industry Co., Ltd ("UnionZinc") and a third party producer, Yinshan Smelting Plant ("Yinshan"), as previously disclosed in the Group's quarter results announcement. The Group will continue to produce zinc related products through zinc processing arrangements with independent third parties on an adhoc basis.

### **Gross (Loss)/Profit**

The Group recorded a gross margin of (4.4%) in FY2011, compared with a gross margin of 15.2% in FY2010.

The gross loss in FY2011 was due mainly to the write-down of approximately US\$0.5 million of the Group's indium inventories in its Cost of Sales offset partially by a write-back of Indium-Tin-Oxide ("ITO") products amounting to US\$0.1 million. The write down of indium inventories arose mainly due to an overall higher raw material cost and a fall in the market price of indium in November 2011.

The gross profit in FY2010 was due mainly to the net write-back of approximately US\$0.8 million of the Group's inventories in its Cost of Sales. The write-back of inventories arose mainly from the increase in the market price of indium above the Group's inventory cost as at FY2010.

### **Other Income**

Other income increased by approximately US\$2.1 million from US\$0.5 million in FY2010 to US\$2.5 million in FY2011. This was due mainly to the following:

- a) compensation received by Intai on the sale of land amounting to US\$1.7 million as announced via SGXNET on 15 November 2011;
- b) gain of US\$303k on disposal of Guangxi Crystal Union Photoelectric Materials Co., Ltd ("GCU") and liquidation of Rongan Union Zinc Industry Co., Ltd ("Rongan") as announced via SGXNet on 4 August 2011 and 20 July 2011 respectively; and
- c) higher interest income earned in FY2011.

### **Operating Expenses**

Selling and distribution expenses decreased by US\$192k to US\$4k in line with the decrease in the sales activity level of the Group.

General and administrative expenses increased by approximately US\$268k to approximately US\$2.4 million in FY2011 due mainly to higher professional fees and travelling expenses to pursue business opportunities, as well as staff costs.

Other expenses in FY2011 were US\$Nil. Other expenses in FY2010 comprised mainly of impairment loss on property, plant and equipment of US\$250k.

### **Income Tax**

The tax credit in FY2011 was due mainly to deferred tax assets arising from the write-down of indium inventories offset partially by deferred tax liabilities arising from the net compensation recognised by Intai on the sale of land.

### **Profit After Tax**

As a result of the aforementioned, the Group recorded a profit after tax of approximately US\$61k in FY2011, compared to a profit after tax of US\$1.01 million in FY2010.

### **DISCONTINUING OPERATIONS**

As announced on 4 August 2011, the disposal of the Group's entire shareholding in GCU, a wholly-owned subsidiary of the Group, had been completed. Since 2Q2011, the revenue and expenses of GCU had been presented as "Net loss from discontinuing operations".

The decrease in net loss from discontinuing operations from US\$0.7 million in FY2010 to US\$0.1 million in FY2011 was due mainly to the decrease in research and development expenses and lower depreciation on its property, plant and equipment.

The liquidation of Rongan Union Zinc Industry Co., Ltd ("Rongan") had been completed as announced on 20 July 2011. The revenue and expenses of Rongan had been presented as "Net loss from discontinuing operations". As Rongan had been dormant, its contribution to the net loss is minimal.

## **REVIEW OF FINANCIAL POSITION (FY2011 VS FY2010)**

### **Non-Current Assets**

The Group's property, plant and equipment decreased by approximately US\$0.9 million to US\$0.2 million as at FY2011. This was due mainly to the decrease in property, plant and equipment resulting from the disposal of GCU.

The Group's land use rights arose from Intai's land acquisition in Liucheng County as previously announced on SGXNet on 27 September 2011.

The increase in the Group's deferred tax asset in FY2011 was in relation to the write-down of the indium inventories in Intai.

The Company's non-current assets decreased by US\$0.8 million due mainly to the removal of the cost of investment in GCU arising from its disposal.

### **Current Assets**

The decrease in cash and short-term deposits by approximately US\$0.4 million and US\$1.4 million for the Group and Company, respectively, was due mainly to payments made for operating expenses of the Group and advances made to suppliers during the year.

The increase in other receivables and prepayments by approximately US\$ 4.0 million was mainly due to the remaining compensation receivable from Intai's sale of land of approximately US\$3.9 million (RMB24.9 million). As previously announced on SGXNet on 15 November 2011, Intai will receive approximately RMB35.6 million in 3 tranches, the first tranche having been received upon the acquisition of a new piece of land by Intai for its production facilities.

The Group's inventories increased by approximately US\$0.4 million as a result of slightly higher finished goods held towards the end of FY2011 compared to FY2010.

### **Current Liabilities**

The decrease in other payables of approximately US\$0.3 million resulted from lower VAT payable and payment of income tax of US\$0.2 million by one of the Group's subsidiary companies.

The deferred revenue arose from the remaining compensation on the sale of land as mentioned under "Current Assets" above. The deferred revenue will be recognized upon Intai fulfilling certain conditions as previously announced on SGXNet on 15 November 2011.

### **Non-Current Liabilities**

The deferred tax liabilities in FY2011 arose from the net compensation recognised by Intai on the sale of land.

### **Shareholders' Equity**

Shareholders' equity increased by US\$0.5 million due mainly to the Group's other comprehensive income for FY2011 arising from the appreciation of the RMB against the USD.

## Cash Flow (FY2011 VS FY2010)

The net decrease in cash and cash equivalents for FY2011 was due mainly to purchase of land use rights, payments for operating expenses and advances to suppliers. The decrease was offset by the compensation received for the land as mentioned in "Other Income" above.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Excluding other income (as explained in item 8), the Group's full year results are in line with the Company's 3Q2011 results announcement made via SGXNet on 11 October 2011 in which it was disclosed that as a result of continued reduced production and sales revenue, an operating loss for 4Q2011 and for FY2011 was expected.

**10. A commentary at the date of the announcement of the significant trends and 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.**

Pending the completion of the Group's factory at the new location at Liucheng County, PRC, the Company's subsidiary, Intai, has shifted out of its current premises and moved into the premises currently occupied by GCU at Yang He Industrial Area, Liuzhou City, to continue its indium production. Due to the Chinese New Year holidays, commencement of the construction of the factory will be delayed and the new factory is expected to be fully operational during the second half of calendar year 2012.

The industry that the Group operates in continues to be subjected to uncertain demand and the pricing volatility of commodities. The Board and Management expect the Group's business environment to continue to be tough and challenging. The Board remains cautious on the performance of the Group for FY2012.

The Group has previously announced that it has expanded its business scope to carry out trading in ferrous and non-ferrous metals, coal and coke, kaolin and barite. The Board will continue to look out for business opportunities that will help the future growth of the Group.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

No dividend has been declared.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect.**

No dividend has been declared or recommended for the financial period ended 30 November 2011.

**13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company does not have any IPT mandate.

**14. Use of Proceeds from the Rights Issue.**

The Board of Directors refers to the net proceeds of US\$3.27 million (S\$4.71 million) raised from the rights issue in July 2009. These proceeds have not been utilised as at 30 November 2011.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR ANNOUNCEMENT OF FULL YEAR RESULTS  
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

**15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer’s most recently audited financial statements, with comparative information for the preceding year.**

**(a) Analysis by business segments**

2011	Indium US\$'000	Other by- products US\$'000	Other products US\$'000	Discontinued operations US\$'000	Elimination US\$'000	Group Total US\$'000
<b>Revenue</b>						
-Sales to external customers	1,138	67	637	144	(144)	1,842
-Inter-segment sales	146	-	-	-	(146)	-
<b>Total revenue</b>	<b>1,284</b>	<b>67</b>	<b>637</b>	<b>144</b>	<b>(290)</b>	<b>1,842</b>
Interest income	-	-	-	-	-	222
Depreciation of property, plant and equipment	(35)	(1)	(24)	(130)	130	(60)
Research and development expenses	-	-	-	(48)	48	-
Reversal of inventories/(inventories write down)	(463)	-	-	114	(114)	(463)
Segment profit/(loss)	(1,095)	63	(197)	(159)	1,396	8
<b>Assets:</b>						
Segment assets	1,663	320	1	-	(26)	1,958
Unallocated assets	-	-	-	-	-	40,099
<b>Liabilities:</b>						
Segment liabilities	3	-	17	-	-	20
Deferred tax liability	-	-	-	-	-	143
Tax payable	-	-	-	-	-	47
Unallocated liabilities	-	-	-	-	-	4,381
Capital expenditure on property, plant and equipment	(3)	(17)	(107)	(5)	5	(127)

2010	Indium US\$'000	Other by- products US\$'000	Other products US\$'000	Discontinued operations US\$'000	Elimination US\$'000	Group Total US\$'000
<b>Revenue</b>						
-Sales to external customers	13,147	808	9,228	112	(112)	23,183
-Inter-segment sales	4,732	36	-	-	(4,768)	-
<b>Total revenue</b>	<b>17,879</b>	<b>844</b>	<b>9,228</b>	<b>112</b>	<b>(4,880)</b>	<b>23,183</b>
Interest income	-	-	-	-	-	118
Depreciation of property, plant and equipment	(94)	(14)	(44)	(453)	453	(152)
Impairment loss on property, plant and equipment	(20)	-	-	(230)	230	(20)
Research and development expenses	-	-	-	(433)	433	-
Reversal of inventories/(inventories write down)	984	(69)	-	(121)	121	915
Net realised loss on derivative financial instruments	-	(10)	-	-	-	(10)
Reversal of provision for doubtful debts	-	123	-	-	-	123
Segment profit/(loss)	1,345	201	5	(699)	469	1,321
<b>Assets:</b>						
Segment assets	1,333	29	1,253	-	(580)	2,035
Unallocated assets	-	-	-	-	-	36,030
<b>Liabilities:</b>						
Segment liabilities	482	1,172	3	-	(1,649)	8
Deferred tax liability	-	-	-	-	-	57
Tax payable	-	-	-	-	-	261
Unallocated liabilities	-	-	-	-	-	734
Capital expenditure on property, plant and equipment	(81)	(269)	-	-	-	(350)

**(b) Analysis by geographical segments**

	Segment revenue		Segments assets		Capital expenditure	
	2011 US\$'000	2010 US\$'000	2011 US\$'000	2010 US\$'000	2011 US\$'000	2010 US\$'000
China/Hong Kong	1,950	17,519	17,944	12,550	129	269
Japan/Korea	-	1,941	-	-	-	-
USA/Europe	-	3,835	-	-	-	-
Singapore	36	-	24,113	25,515	3	81
Discontinued operations	(144)	(112)	-	-	(5)	-
	1,842	23,183	42,057	38,065	127	350

**16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Segmentally, the Group saw a decrease in the revenue of its core product, indium ingots, due to the decrease in both the quantity manufactured and sold in FY2011.

The decrease in sale of other products arose mainly from the decrease in the sale of the Group's zinc related inventories. This decrease was due to the cessation of the zinc processing arrangement as mentioned in "Revenue" above.

As disclosed in the previous year's year end announcement, due to discontinuation of the arrangement with the third party smelter that undertook zinc processing activities for one of the Company's subsidiaries, the Group's production output of other by-products was affected and hence the further decrease in sale of other by-products.

The Group recorded a significant decrease in its overseas sales, specifically in the Japan, USA and Europe markets as sales were made to the PRC and Hong Kong markets. The PRC and Hong Kong markets recorded lower sales compared to FY2010 mainly due to lower sale of indium ingots in FY2011 as well as the decrease in sale of the Group's zinc related inventories as mentioned above.

**17. A breakdown of sales.**

Continuing operations	Latest Financial Year US\$'000	Previous Financial Year US\$'000	% Increase/ (Decrease)
	Group	Group	Group
(a) Sales reported for first half year	649	13,416	(95.2)
(b) Operating (loss)/profit after tax before deducting minority interests reported for first half year	(856)	760	(212.6)
(c) Sales reported for second half year	1,193	9,767	(87.8)
(d) Operating profit after tax before deducting minority interests reported for second half year	917	251	265.3

Discontinuing operations	Latest Financial Year US\$'000	Previous Financial Year US\$'000	% Increase/ (Decrease)
	Group	Group	Group
(a) Sales reported for first half year	105	1	NM *
(b) Operating loss after tax before deducting minority interests reported for first half year	(96)	(337)	(71.5)
(c) Sales reported for second half year	39	111	(64.9)
(d) Operating loss after tax before deducting minority interests reported for second half year	(63)	(362)	(82.6)

\* NM – Not meaningful

**18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

No dividends were declared or paid in the latest full year and the previous full year.

**19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

We confirm that there is no person occupying a managerial position in the Group or Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder.

BY ORDER OF THE BOARD

Meng Limin  
Executive Director/CEO  
19 January 2012