

## Unionmet (Singapore) Limited

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

### UNAUDITED FULL YEAR FINANCIAL STATEMENT ANNOUNCEMENT FOR THE YEAR ENDED 30 NOVEMBER 2010

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

**1(a) 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 is pleased to announce the results of the Group for the full year ended 30 November 2010. These figures have not been audited.

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

	Group		
	US\$'000		%
	Unaudited	Audited	
	30/11/2010	30/11/2009	Increase/ (Decrease)
Revenue	23,295	9,124	155.3
Cost of sales	(19,934)	(7,688)	159.3
<b>Gross profit</b>	<b>3,361</b>	<b>1,436</b>	<b>134.1</b>
Other income	528	234	125.6
Selling and distribution expenses	(200)	(92)	117.4
General and administrative expenses	(2,755)	(3,637)	(24.3)
Other expenses	(312)	(1,483)	(79.0)
<b>Profit/(loss) before tax</b>	<b>622</b>	<b>(3,542)</b>	<b>(117.6)</b>
Income tax	(310)	(134)	131.3
<b>Net profit/(loss) for the year attributable to owners of the parent</b>	<b>312</b>	<b>(3,676)</b>	<b>(108.5)</b>
<u>Other comprehensive income:</u>			
Currency translation difference arising from consolidation	360	42	757.1
<b>Total comprehensive income/(loss) for the year attributable to owners of the parent</b>	<b>672</b>	<b>(3,634)</b>	<b>(118.5)</b>

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

Profit/(loss) from ordinary activities is stated after charging/(crediting):

	Group	
	US\$'000	
	Unaudited	Audited
	30/11/2010	30/11/2009
Depreciation of property, plant and equipment	605	805
Exchange gain, net	(173)	(129)
Derivative financial instruments:		
- Net realised loss on derivative financial instruments	10	792
Interest income	(118)	(47)
Reversal of inventories write-down, net	(794)	(2,675)
(Reversal of provision)/provision for doubtful debts	(123)	164
Write-off of property, plant and equipment	-	31
Loss on disposal of property, plant and equipment	12	168
Impairment loss on property, plant and equipment	250	310
Machinery rental expenses	67	267
Rental expenses	308	263
Research and development expenses	433	343

Breakdown of other income:

	Group	
	US\$'000	
	Unaudited	Audited
	30/11/2010	30/11/2009
Exchange gain, net	173	129
Interest income	118	47
Subsidy income	53	-
Reversal of provision for doubtful debts	123	-
Sundry income	55	-
Others	6	58
<b>Total other income</b>	<b>528</b>	<b>234</b>

Breakdown of other expenses:

	Group	
	US\$'000	
	Unaudited 30/11/2010	Audited 30/11/2009
Net realised loss on derivative financial instruments	10	792
Provision for doubtful debts	-	164
Write-off of property, plant and equipment	-	31
Loss on disposal of property, plant and equipment	12	168
Impairment loss on property, plant and equipment	250	310
Loss on sale of raw materials	20	-
Others	20	18
<b>Total other expenses</b>	<b>312</b>	<b>1,483</b>

**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.**

	Group		Company	
	US\$'000		US\$'000	
	Unaudited 30/11/2010	Audited 30/11/2009	Unaudited 30/11/2010	Audited 30/11/2009
<b>Non-current assets</b>				
Property, plant and equipment	1,104	1,616	93	15
Deferred tax assets	2	95	-	-
Investments in subsidiaries	-	-	5,278	6,738
	<b>1,106</b>	<b>1,711</b>	<b>5,371</b>	<b>6,753</b>
<b>Current assets</b>				
Cash and cash equivalents	35,090	23,180	25,274	19,601
Trade receivables	40	1,019	-	237
Other receivables and prepayments	693	965	79	113
Tax recoverable	6	6	-	-
Inventories	1,130	10,302	100	2,272
	<b>36,959</b>	<b>35,472</b>	<b>25,453</b>	<b>22,223</b>
<b>Current liabilities</b>				
Trade payables	11	291	2	13
Other payables	731	485	184	195
Tax payables	261	-	-	-
	<b>1,003</b>	<b>776</b>	<b>186</b>	<b>208</b>
<b>Net current assets</b>	<b>35,956</b>	<b>34,696</b>	<b>25,267</b>	<b>22,015</b>
<b>Non-current liability</b>				
Deferred tax liabilities	57	74	-	-
<b>Net assets</b>	<b>37,005</b>	<b>36,333</b>	<b>30,638</b>	<b>28,768</b>
<b>Equity attributable to owners of the parent</b>				
Share capital	32,794	32,794	32,794	32,794
Reserves/(accumulated losses)	4,211	3,539	(2,156)	(4,026)
	<b>37,005</b>	<b>36,333</b>	<b>30,638</b>	<b>28,768</b>

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

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

As at 30/11/2010		As at 30/11/2009	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
-	-	-	-

**Amount repayable after one year**

As at 30/11/2010		As at 30/11/2009	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
-	-	-	-

**Details of any collateral**

Not applicable.

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

	<b>Group</b>	
	<b>US\$'000</b>	
	<b>Unaudited 30/11/2010</b>	<b>Audited 30/11/2009</b>
<b>Cash flows from operating activities:</b>		
Profit/(loss) before tax	622	(3,542)
Adjustments for:		
Depreciation of property, plant and equipment	605	805
Write-off of property, plant and equipment	-	31
Loss on disposal of property, plant and equipment	12	168
Impairment loss on property, plant and equipment	250	310
(Reversal of provision)/provision for doubtful debts	(123)	164
Interest income	(118)	(47)
Reversal of inventories write-down, net	(794)	(2,675)
Unrealised exchange gain	(132)	(7)
Foreign currency translation	298	55
<b>Operating cash flows before working capital changes</b>	<b>620</b>	<b>(4,738)</b>
Decrease in trade receivables	1,011	29
Decrease in other receivables and prepayments	456	2,484
Decrease in inventories	9,967	6,657
Decrease in trade payables	(280)	(1,053)
Increase/(decrease) in other payables	228	(1,601)
<b>Cash flows generated from operations</b>	<b>12,002</b>	<b>1,778</b>
Income tax paid	(18)	(1)
Income tax refund	45	-
Interest received	59	47
<b>Net cash flows generated from operating activities</b>	<b>12,088</b>	<b>1,824</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(350)	(588)
Proceeds from disposal of property, plant and equipment	61	1,042
<b>Net cash flows (used in)/generated from investing activities</b>	<b>(289)</b>	<b>454</b>
<b>Cash flows from financing activity:</b>		
Proceeds from issuance of new shares, net	-	3,270
<b>Net cash flows generated from financing activity</b>	<b>-</b>	<b>3,270</b>
Net increase in cash and cash equivalents	11,799	5,548
Effect of exchange rate changes on cash and cash equivalent	111	3
Cash and cash equivalents at beginning of year	23,180	17,629
<b>Cash and cash equivalents at end of year</b>	<b>35,090</b>	<b>23,180</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 profits/ (losses)	Foreign currency translation reserve	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Current Year – FY2010</b>					
<b>Opening Balance at 1 December 2009</b>	<b>32,794</b>	<b>2,020</b>	<b>(1,013)</b>	<b>2,532</b>	<b>36,333</b>
Profit for the year	-	-	312	-	312
Other comprehensive income	-	-	-	360	360
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</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>
<b>Previous Year – FY2009</b>					
<b>Opening Balance at 1 December 2008</b>	<b>29,524</b>	<b>2,020</b>	<b>2,663</b>	<b>2,490</b>	<b>36,697</b>
Loss for the year	-	-	(3,676)	-	(3,676)
Other comprehensive income	-	-	-	42	42
<b>Total comprehensive income/(loss) for the year</b>	<b>-</b>	<b>-</b>	<b>(3,676)</b>	<b>42</b>	<b>(3,634)</b>
Net proceeds from issuance of new shares	3,270	-	-	-	3,270
<b>Closing Balance at 30 November 2009</b>	<b>32,794</b>	<b>2,020</b>	<b>(1,013)</b>	<b>2,532</b>	<b>36,333</b>

Company	Share capital	Accumulated losses	Total
	US\$'000	US\$'000	US\$'000
<b>Current Year – FY2010</b>			
<b>Opening Balance at 1 December 2009</b>	<b>32,794</b>	<b>(4,026)</b>	<b>28,768</b>
Profit for the year	-	1,870	1,870
<b>Total comprehensive income for the year</b>	<b>-</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>
<b>Previous Year – FY2009</b>			
<b>Opening Balance at 1 December 2008</b>	<b>29,524</b>	<b>(2,606)</b>	<b>26,918</b>
Loss for the year	-	(1,420)	(1,420)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(1,420)</b>	<b>(1,420)</b>
Net proceeds from issuance of new shares	3,270	-	3,270
<b>Closing Balance at 30 November 2009</b>	<b>32,794</b>	<b>(4,026)</b>	<b>28,768</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 2010 and 30 November 2009.

- 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 2010 and 30 November 2009 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 International Financial Reporting Standards ("new/revised IFRSs") that became effective on or after 1 December 2009. Except for the adoption of these new/revised IFRSs 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 2009.

**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 2009. The adoption of these new and revised FRS and INT FRS are currently assessed to have no material financial impact on the Group’s financial statements for the current period, except for FRS 1, Presentation of Financial Statements – Revised Presentation.

FRS 1, Presentation of Financial Statements – Revised Presentation. The revised FRS 1 requires owner and non-owner changes in equity to be presented separately. The statement showing changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line item. In addition, the revised standard introduces the Statement of Comprehensive Income: it presents all items of income and expenses recognised in profit or loss, together with all other items of recognised income and expense either in on single statement, or in two linked statement. The Group has adopted FRS 1 to present all items of income and expense, including those accounted for directly in equity, in a single Statement of Comprehensive Income.

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 2009 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	
	30/11/2010	30/11/2009
Earnings/(losses) per ordinary share 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	0.05	(0.72)
Weighted average number of ordinary shares for basic earnings per share computation	613,553,995	511,294,996
(b) On a fully diluted basis	0.05	(0.72)
Weighted average number of ordinary shares adjusted for the effect for dilution	613,553,995	511,294,996

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	
	30/11/2010	30/11/2009	30/11/2010	30/11/2009
Net asset value per ordinary share based on issued share capital at the end of the respective periods (in US cents):	6.03	5.92	4.99	4.69
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 - FY2010 VS FY2009)**

##### **Revenue**

The Group's total revenue increased by approximately US\$14.2 million or 155.3% to approximately US\$23.3 million for the year ended 30 November 2010 ("FY2010"). This was due mainly to the following:

- a) higher quantities of indium sold coupled with the increase in the average selling price of indium in FY2010 compared to FY2009; and
- b) higher sale of zinc related inventories.

##### **Gross Profit Margin**

The Group recorded a gross profit margin of 14.4% in FY2010, compared with a gross profit margin of 15.7% in FY2009. The gross profit margin was due mainly to the inclusion of net write-back of approximately US\$0.8 million and US\$2.7 million in FY2010 and FY2009, respectively, 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 over the past 2 years and in FY2010, the market price of indium has risen above the Group's inventory cost.

The write-back in FY2009 was higher due mainly to the write-back of zinc-related inventories of approximately US\$1.6 million compared to approximately US\$0.1 million in FY2010. Despite the lower write-back of provision for inventories in FY2010, the Group's gross margins in FY2010 had been relatively steady. This was attributable to the increase in the average selling price of indium.

### **Other Income**

Other income increased by approximately US\$294k from US\$234k in FY2009 to US\$528k in FY2010. This was due mainly to the following:

- a) partial reversal of provision for doubtful debts of US\$123k. This was attributable to the recovery of some of the prepayments following Management's efforts in stepping up debt collection;
- b) higher interest income of US\$118k in FY2010 compared with US\$47k in FY2009 due to longer placement periods of fixed deposits during the current financial year; and
- c) subsidy income received from the local government by one of the Group's subsidiaries of US\$53k.

### **Operating Expenses**

Selling and distribution expenses increased by US\$108k to US\$200k due mainly to the increase in the level of sale activity within the Group.

General and administrative expenses decreased by approximately US\$0.9 million to approximately US\$2.8 million in FY2010 as a result of cost reduction efforts by the Group.

### **Other Expenses**

Other expenses decreased significantly to US\$312k in FY2010. This was due mainly to the following:

- a) net realised loss on derivative financial instruments of approximately US\$792k in FY2009 compared to US\$10k in FY 2010 arising from the Group's hedging activities. The losses were reduced as the Group reduced its zinc related inventories during the year;
- b) provision for doubtful debts of US\$164k made in FY2009 as one of the Company's subsidiaries prepayments were deemed unrecoverable as at FY2009; and
- c) provision for impairment in value of property, plant and equipment of US\$250k in FY2010 compared to US\$310k in FY2009.

### **Profit/(Loss) After Tax**

As a result of the aforementioned, the Group recorded a profit after tax of approximately US\$0.3 million in FY2010, compared to a loss after tax of US\$3.6 million in FY2009.

## **REVIEW OF FINANCIAL POSITION (FY2010 VS FY2009)**

### **Non-Current Assets**

The non-current assets of the Group decreased by US\$0.6 million to US\$1.1 million as at FY2010.

The Group's property, plant and equipment decreased from approximately US\$1.6 million as at FY2009 to approximately US\$1.1 million as at FY2010 due mainly to:

- (i) depreciation charged of approximately US\$0.6 million;
- (ii) provision for impairment on one of the Group's subsidiaries' property, plant and equipment of approximately US\$0.2 million.

The decrease was partially offset by an increase in leasehold improvements and purchase of furniture and fittings of approximately US\$0.1 million as a result of relocation of the Company and net purchase of additional plant and machinery of approximately US\$0.3 million.

In addition, there was a reversal of deferred tax assets of US\$0.1 million.

The Company's investments in subsidiaries decreased by US\$1.4 million due mainly to provision for impairment made for one of the Company's subsidiaries.

### **Current Assets**

The increase in cash and cash equivalents by approximately US\$11.9 million and US\$5.7 million for the Group and Company, respectively, was due mainly to indium sales made during the year and timely payments by customers.

The decrease in the Group's trade receivables by approximately US\$1 million was due to better debt collection efforts.

Other receivables and prepayments decreased by US\$0.3 million due mainly to the refund of the deposit amounting to US\$0.7 million with the Shanghai Futures Exchange, arising from the cessation of the Group's zinc hedging activities. The decrease was offset partially by the increase in prepayments arising from the proposed land acquisition of approximately US\$0.4 million by one of the Group's subsidiaries, which had been announced via SGXNet on 27 October 2010.

Inventories decreased by approximately US\$9.2 million and US\$2.2 million for the Group and Company, respectively, as a result of the Group's efforts to reduce stock holdings and higher indium sales in FY2010. While at the same time, the enforced relocation of the Group's production facilities has meant that production output has not been able to replace the Group's stock as fast as it would like.

### **Current Liabilities**

The Group's current liabilities increased from US\$0.8 million as at FY2009 to US\$1 million. The increase was due mainly to an increase in other payables of approximately US\$0.2 million resulting from VAT payable on sales made during the last quarter of FY2010.

The increase was partially offset by a decrease in trade payables by approximately US\$0.3 million as a result of more timely settlement of amounts owing to suppliers.

The increase in tax payable was due to the current year tax provision at 25% as one of the Company's subsidiaries was no longer entitled to the PRC tax incentives at 12.5%.

### **Non-Current Liabilities**

There were no significant variances for FY2009 and FY2010.

### Shareholders' Equity

Shareholders' equity increased by US\$0.7 million due mainly to the Group's net profit position for FY2010.

### Cash Flow (FY2010 VS FY2009)

The net increase in cash and cash equivalents for FY2010 was higher compared to FY2009. This was due mainly to higher sales and better debt collection efforts in FY2010.

**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 has been previously disclosed to shareholders.

**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.**

Further to the proposed land acquisition by the Group's subsidiary, Guangxi Intai Technology Co., Ltd ("Intai") announced via SGXNet on 27 October 2010, the Board would like to update shareholders that Intai will continue to produce indium till October 2011 from its current premises in Guangxi, Liuzhou, People's Republic of China ("PRC"), as the current land occupied by Intai had not been sold although it has been requisitioned by the local government as announced in the Company's announcement dated 31 July 2009. In the meantime, while waiting for the local government to announce the auction date, the Group will prepare for the construction of the new plant so that construction can commence once the Group succeeds in the bid for the land.

The Board would also like to announce that the current location occupied by the Group's wholly-owned subsidiary, Guangxi Crystal Union Photoelectric Materials Co., Ltd., ("GCU") has been sold by the landlord to a third party (the "New Owner").

GCU will continue to rent the current location from the New Owner, whilst the Group sources for a permanent site, as GCU understands that redevelopment of the current location will not commence until late 2011.

The Group is pleased to inform shareholders that GCU continues to make further progress with the research and development of Indium Tin Oxide ("ITO") and will update shareholders when commercial production commences. It is not likely that it will take place until the new production plant and factory is completed.

With regards to the power supply quota reduction announced in the Group's third quarter results announcement released via SGXNet on 5 October 2010, the Board would like to inform the shareholders that the measures introduced by the PRC government are ongoing. This reduction is unlikely to have a significant impact on the Group's financial performance and business operations.

As a result of the disruption caused by the relocation, the Group is likely to record reduced production and sales revenue for the financial year ending 30 November 2011 ("FY2011"). The industry that the Group operates in continues to be subjected to uncertain demand and the pricing volatility of indium and zinc. 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 FY2011.

The Group 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/recommendeded, a statement to that effect.**

No dividend has been declared or recommended for the financial period ended 30 November 2010.

**13. Use of Proceeds from the Initial Public Offer and Rights Issue.**

The Board of Directors refers to the net initial public offering (“IPO”) proceeds of US\$22 million raised from the IPO of the Company’s shares in January 2007.

As at 30 November 2010, there has been no change in the Company’s utilization of its IPO’s proceeds since last reported as follows:

<b>Intended Use</b>	<b>Amount Allocated US\$'000</b>	<b>Amount Utilised US\$'000</b>	<b>Balance Amount US\$'000</b>
Expansion of indium ingot production capacity	4,000	-	4,000
Secure additional sources of raw material supply in areas rich in zinc and indium	6,100	-	6,100
Undertake R&D in high value-added products of indium ingots	3,500	3,500	-
General working capital requirements	8,400	8,400	-
<b>Total</b>	<b>22,000</b>	<b>11,900</b>	<b>10,100<sup>(a)</sup></b>

Note:

(a) Due to the financial crisis and adverse market for indium, applications of these IPO proceeds have been deferred until there are sustainable improvements.

The net proceeds of US\$3.27 million (S\$4.71 million) raised from the rights issue have not been utilised as at 30 November 2010.

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

**14. 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**

<b>2010</b>	<b>Indium</b> US\$'000	<b>Other by-products</b> US\$'000	<b>Other products</b> US\$'000	<b>Elimination</b> US\$'000	<b>Group Total</b> US\$'000
<b>Revenue</b>					
-Sales to external customers	13,147	808	9,340	-	23,295
-Inter-segment sales	4,732	36	-	(4,768)	-
<b>Total revenue</b>	<b>17,879</b>	<b>844</b>	<b>9,340</b>	<b>(4,768)</b>	<b>23,295</b>
Interest income	-	-	-	-	118
Depreciation of property, plant and equipment	(94)	(14)	(497)	-	(605)
Impairment loss on property, plant and equipment	(20)	-	(230)	-	(250)
Research and development expenses	-	-	(433)	-	(433)
Reversal of inventories/(inventories write down)	845	70	(121)	-	794
Net realised loss on derivative financial instruments	-	(10)	-	-	(10)
Reversal of provision for doubtful debts	-	123	-	-	123
Segment profit/(loss)	2,847	205	(706)	(1,724)	622
<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)	(1)	(268)	-	(350)

2009	Indium US\$'000	Other by- products US\$'000	Other products US\$'000	Elimination US\$'000	Group Total US\$'000
<b>Revenue</b>					
-Sales to external customers	2,351	1,656	5,117	-	9,124
-Inter-segment sales	98	1,204	15	(1,317)	-
<b>Total revenue</b>	<b>2,449</b>	<b>2,860</b>	<b>5,132</b>	<b>(1,317)</b>	<b>9,124</b>
Interest income	-	-	-	-	47
Depreciation of property, plant and equipment	(104)	(82)	(619)	-	(805)
Impairment loss on property, plant and equipment	-	-	(310)	-	(310)
Research and development expenses	-	-	(343)	-	(343)
Reversal of inventories write down	1,024	-	1,651	-	2,675
Net realised loss on derivative financial instruments	-	(792)	-	-	(792)
Provision for doubtful debts	-	(164)	-	-	(164)
Segment loss	(1,304)	(54)	(2,213)	29	(3,542)
<b>Assets:</b>					
Segment assets	8,137	3,203	1,657	(172)	12,825
Unallocated assets	-	-	-	-	24,358
<b>Liabilities:</b>					
Segment liabilities	297	1,136	149	(1,295)	287
Deferred tax liability	-	-	-	-	74
Unallocated liabilities	-	-	-	-	489
Capital expenditure on property, plant and equipment	(1)	-	(587)	-	(588)

**(b) Analysis by geographical segments**

	Segment revenue		Segments assets		Capital expenditure	
	2010 US\$'000	2009 US\$'000	2010 US\$'000	2009 US\$'000	2010 US\$'000	2009 US\$'000
China/Hong Kong	17,519	8,508	12,550	14,945	269	587
Japan/Korea	1,941	492	-	-	-	-
USA/Europe	3,835	124	-	-	-	-
Singapore	-	-	25,515	22,238	81	1
	23,295	9,124	38,065	37,183	350	588

**15. 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 an increase in the revenue of its core product, indium ingots, due to the increase in both the quantity sold and the average market price of indium in FY2010.

The increase in sale of other products arose mainly from the sale of the Group's zinc related inventories. This increase was due to the increased zinc processing activities undertaken by a third party smelter for one of the Company's subsidiaries in FY2010.

As the third party smelter 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 decrease in sale of other by-products.

The Group recorded a significant increase in its overseas sales, specifically in the Japan, USA and Europe markets mainly due to higher sale of indium ingots to these markets.

There was a significant increase in sales to the PRC and Hong Kong markets mainly due to sale of indium ingots in FY2010 resulting from demand in these countries compared to none in FY2009 as well as the increase in sale of the Group's zinc related inventories as mentioned above.

**16. A breakdown of sales.**

	Latest Financial Year US\$'000	Previous Financial Year US\$'000	% Increase/ (Decrease)
	Group	Group	Group
(a) Sales reported for first half year	13,417	3,651	(267.5)
(b) Operating profit/(loss) after tax before deducting minority interests reported for first half year	423	(4,939)	(108.6)
(c) Sales reported for second half year	9,878	5,473	80.5
(d) Operating (loss)/profit after tax before deducting minority interests reported for second half year	(111)	1,263	(108.8)

**17. 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.

BY ORDER OF THE BOARD

Meng Limin  
Executive Director/CEO  
25 January 2011