Unionmet (Singapore) Limited

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

UNAUDITED QUARTERLY FINANCIAL STATEMENT ANNOUNCEMENT FOR THE FULL YEAR ENDED 30 NOVEMBER 2012

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 2012. These figures have not been audited.

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

	Group		
	US$'000		%
	Unaudited	Audited	
	30/11/2012	30/11/2011	Increase/ (Decrease)
Continuing operations			
Revenue	29,525	1,842	1502.9
Cost of sales	(29,205)	(1,923)	1418.7
Gross profit/(loss)	**320**	**(81)**	(495.1)
Other income	2,814	2,540	10.8
Selling and distribution expenses	(54)	(4)	1250.0
General and administrative expenses	(2,324)	(2,447)	(5.0)
Other expenses	(23)	-	100.0
Profit before tax	**733**	**8**	9062.5
Income tax	(911)	53	(1818.9)
(Loss)/profit after tax	**(178)**	**61**	(391.8)
Discontinued operations			
Net loss from discontinued operations	-	(159)	(100.0)
Net loss after tax for the year	**(178)**	**(98)**	**81.6**
Attributable to owners of the company			
Net (loss)/profit from continuing operations	(178)	61	(391.8)
Net loss from discontinued operations	-	(159)	(100.0)
Net loss for the year attributable to owners of the company	**(178)**	**(98)**	**81.6**
Other comprehensive income:			
Currency translation difference arising from consolidation	274	559	(51.0)
Total other comprehensive income	**274**	**559**	**(51.0)**
Total comprehensive income from continuing operations	96	714	(86.6)
Total comprehensive income from discontinued operations	-	(253)	(100.0)
Total comprehensive income for the year attributable to owners of the company	**96**	**461**	**(79.2)**

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

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

	Group	
	US$'000	
	Unaudited	Audited
	30/11/2012	30/11/2011
Continuing operations		
Depreciation of property, plant and equipment	62	60
Amortization of land use rights	16	3
Exchange gain, net	(20)	(74)
Interest income	(178)	(222)
Usance LC interest income	(90)	-
Other income	(121)	-
(Reversal of inventories write-down)/inventories write-down, net	(260)	463
Loss/(gain) on disposal of property, plant and equipment	5	(33)
Gain on disposal of subsidiaries	-	(303)
Machinery rental expenses	2	2
Rental expenses	156	149
Subsidy income	-	(87)
Compensation for land	(2,314)	(1,710)
Discontinued operations		
Depreciation of property, plant and equipment	-	120
Reversal of inventories write-down, net	-	(114)
Machinery rental expenses	-	8
Rental expenses	-	2
Research and development expenses	-	72

Breakdown of other income

	Group	
	US$'000	
	Unaudited	**Audited**
	30/11/2012	**30/11/2011**
Continuing operations		
Exchange gain, net	20	74
Interest income	178	222
Usance LC interest income	90	-
Other income	121	-
Sale of scrap materials	-	110
Gain on disposal of property, plant and equipment	-	33
Gain on disposal of subsidiaries	-	303
Compensation for land	2,314	1,710
Subsidy income	-	87
Sundry income	91	1
Total other income from continuing operations	**2,814**	**2,540**
Discontinued operations		
Sundry income	-	5
Total other income from discontinued operations	**-**	**5**

Breakdown of other expenses

	Group	
	US$'000	
	Unaudited	**Audited**
	30/11/2012	**30/11/2011**
Continuing operations		
Loss on disposal of property, plant and equipment	5	-
Loss on sale of raw materials	4	-
Others	14	-
Total other expenses from continuing operations	**23**	**-**

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
	30/11/2012	30/11/2011	30/11/2012	30/11/2011
Non-current assets				
Property, plant and equipment	1,326	230	48	71
Deferred tax assets	227	141	-	-
Investments in subsidiaries	-	-	4,438	4,438
Land use rights	803	804	-	-
	2,356	**1,175**	**4,486**	**4,509**
Current assets				
Cash and short-term deposits	30,343	34,700	22,854	23,876
Trade receivables	2,449	-	-	-
Other receivables and prepayments	3,516	4,674	65	92
Tax recoverable	7	7	-	-
Inventories	2,454	1,501	100	100
	38,769	**40,882**	**23,019**	**24,068**
Current liabilities				
Trade payables	170	5	-	-
Other payables	468	421	236	178
Tax payable	47	47	-	-
Deferred revenue	1,738	3,975	-	-
	2,423	**4,448**	**236**	**178**
Net current assets	**36,346**	**36,434**	**22,783**	**23,890**
Non-current liability				
Deferred tax liabilities	1,140	143	-	-
Net assets	**37,562**	**37,466**	**27,269**	**28,399**
Equity attributable to owners of the company				
Share capital	32,794	32,794	32,794	32,794
Reserves/(accumulated losses)	4,768	4,672	(5,525)	(4,395)
	37,562	**37,466**	**27,269**	**28,399**

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

Amount repayable in one year or less, or on demand

As at 30/11/2012		As at 30/11/2011	
Secured	Unsecured	Secured	Unsecured
US$'000	US$'000	US$'000	US$'000
-	-	-	-

Amount repayable after one year

As at 30/11/2012		As at 30/11/2011	
Secured	Unsecured	Secured	Unsecured
US$'000	US$'000	US$'000	US$'000
-	-	-	-

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	Audited
	30/11/2012	30/11/2011
Operating activities:		
Profit before tax from continuing operations	733	8
Loss before tax from discontinued operations	-	(159)
Profit/(loss) before tax, total	**733**	**(151)**
Adjustments for:		
Depreciation of property, plant and equipment	62	180
Amortization of land use rights	16	3
Interest income	(178)	(222)
Usance LC interest income	(90)	-
(Reversal of inventories write-down)/inventories write-down, net	(260)	349
Loss/(gain) on disposal of property, plant and equipment	5	(33)
Gain on disposal of subsidiaries	-	(303)
Compensation for land	(2,314)	(1,710)
Unrealised exchange gain, net	(17)	(9)
Foreign currency translation	107	(55)
Operating cash flows used in before working capital changes	**(1,936)**	**(1,951)**
(Increase)/decrease in trade receivables	(2,449)	22
Decrease/(increase) in other receivables and prepayments	1,161	(4,137)
Increase in inventories	(693)	(1,207)
Increase in trade payables	165	663
Increase in other payables	42	1,040
(Decrease)/increase in deferred revenue	(2,237)	3,975
Cash flows used in operations	**(5,947)**	**(1,595)**
Income tax paid	-	(215)
Interest received	178	222
Usance LC interest received	90	-
Net cash flows used in operating activities	**(5,679)**	**(1,588)**
Investing activities:		
Compensation for land	2,314	1,710
Purchase of property, plant and equipment	(1,163)	(132)
Purchase of land use rights	-	(806)
Sales proceed of property, plant and equipment	4	74
Net cash outflow on disposal of the subsidiaries	-	(219)
Net cash flows generated from investing activities	**1,155**	**627**
Net decrease in cash and cash equivalents	(4,524)	(961)
Effect of exchange rate changes on cash and cash equivalents	167	571
Cash and cash equivalents at beginning of the year	34,700	35,090
Cash and cash equivalents at end of the year	**30,343**	**34,700**

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
Current Year – FY2012					
Opening Balance at 1 December 2011	**32,794**	**2,111**	**(890)**	**3,451**	**37,466**
Loss for the year	-	-	(178)	-	(178)
Other comprehensive income	-	-	-	274	274
Total comprehensive income for the year	**-**	**-**	**(178)**	**274**	**96**
Transfer to statutory reserve	-	115	(115)	-	-
Closing Balance at 30 November 2012	**32,794**	**2,226**	**(1,183)**	**3,725**	**37,562**
Previous Year – FY2011					
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
Total comprehensive income for the year	**-**	-	**(98)**	**559**	**461**
Transfer to statutory reserve	-	81	(81)	-	-
Closing Balance at 30 November 2011	**32,794**	**2,111**	**(890)**	**3,451**	**37,466**

Company	Share capital	Accumulated losses	Total
	US$'000	US$'000	US$'000
Current Year – FY2012			
Opening Balance at 1 December 2011	**32,794**	**(4,395)**	**28,399**
Loss for the year	-	(1,130)	(1,130)
Total comprehensive income for the year	**-**	**(1,130)**	**(1,130)**
Closing Balance at 30 November 2012	**32,794**	**(5,525)**	**27,269**
Previous Year – FY2011			
Opening Balance at 1 December 2010	**32,794**	**(2,156)**	**30,638**
Loss for the year	-	(2,239)	(2,239)
Total comprehensive income for the year	**-**	**(2,239)**	**(2,239)**
Closing Balance at 30 November 2011	**32,794**	**(4,395)**	**28,399**

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 2011.

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 2012 and 30 November 2011.

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 preceeding year.

Total number of issued shares as at 30 November 2012 and 30 November 2011 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 2011. 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 2011.

On 1 December 2011, 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:

The revised FRS 24 clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised FRS 24 expands the definition of a related party and would treat two entities as related to each other whenever a person (or a closed member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduces a partial exemption of disclosure requirements for government-related entities.

As the revised FRS 24 is a disclosure standard, there was no material impact of such changes in the above-mentioned accounting policies to the Group's results for the full year ended 30 November 2012.

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 2011 have been applied.

6. (Losses)/earnings 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	
	30/11/2012	**30/11/2011**
(Losses)/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	(0.03)	0.01
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)	0.01
Weighted average number of ordinary shares adjusted for the effect for dilution	613,553,995	613,553,995

	Group	
	30/11/2012	**30/11/2011**
Losses per ordinary share from discontinued 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)
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)
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	
	30/11/2012	**30/11/2011**	**30/11/2012**	**30/11/2011**
Net asset value per ordinary share based on issued share capital at the end of the respective periods (in US cents):	6.12	6.11	4.44	4.63
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 - FY2012 VS FY2011)

CONTINUING OPERATIONS

The Group's total revenue increased by approximately US$27.7 million to approximately US$29.5 million for the financial year ended 30 November 2012 ("FY2012") compared to FY2011. This was due mainly to higher sales of lead concentrates, zinc-related products and indium as the Group's trading activities picked up during FY2012.

For FY2011, there was no sale of lead concentrates and certain zinc-related products as the shareholders' mandate for expansion of business scope for the Group was only obtained in September 2011.

Gross Profit

The Group recorded a gross profit margin of 1.1% in FY2012, compared to a gross loss margin of 4.4% in FY2011.

The gross profit margin of 1.1% in FY2012 arose mainly from the Group's trading activities that commenced during the last quarter of 2011 which typically command a thin margin due to the transparency of the market price of such products.

The gross loss margin 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 which was partially offset by a write-back of Indium Tin Oxide ("ITO") products amounting to US$0.1 million. There were minimal trading activities in FY2011.

Other Income

Other income increased by approximately US$0.3 million from US$2.5 million in FY2011 to US$2.8 million in FY2012. This was due mainly to the receipt of 2nd tranche of the land compensation amounting to US$2.3 million compared to the 1st tranche of US$1.7 million in FY2011.

The increase in other income was due to the net effect after deducting the liquidation expenses of Rongan Union Zinc Industry Co., Ltd ("Rongan") against the gain of US$303k on the disposal of

Guangxi Crystal Union Photoelectric Materials Co., Ltd ("GCU") in FY2011.

Operating Expenses

Selling and distribution expenses increased by approximately US$50k to US$54k in FY2012 in tandem with the increase in sales in FY2012.

There was a decrease in general and administrative expenses by approximately US$123k to approximately US$2.3 million in FY2012 due mainly to lower travel expenses and professional fees.

Income tax

The income tax charge in FY2012 was due mainly to additional deferred tax liabilities of approximately US$1.0 million arising from the net compensation of land recognised by Intai. The additional tax was due to the new tax regulation on Relocation Policy issued by the PRC State Administration of Taxation which was effective from 1 October 2012.

According to the new regulation, compensation income would be taxed net of relocation expenditure excluding the cost of new assets purchased. This was different from the previous tax regulation which allowed the cost of new assets purchased to be deducted from the compensation income in deriving the final taxable income.

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

(Loss)/Profit After Tax

As a result of the aforementioned, the Group recorded a loss after tax of approximately US$178k in FY2012, compared to a profit after tax of US$61k in FY2011.

DISCONTINUING OPERATIONS

As announced previously, the disposal of the Group's entire shareholding in Guangxi Crystal Union Photoelectric Materials Co., Ltd ("GCU") and liquidation of Rongan Union Zinc Industry Co., Ltd ("Rongan"), wholly-owned subsidiaries of the Group, had been completed in FY2011. The revenue and expenses of GCU and Rongan respectively had been presented as "Net loss from discontinued operations" in FY2011.

REVIEW OF FINANCIAL POSITION (FY2012 VS FY2011)

Non-Current Assets

The increase in the Group's non-current assets in FY2012 was due mainly to the increase in the property, plant and equipment of approximately US$1.1 million arising from the substantial completion of the new factory building by Guangxi Intai Technology Co., Ltd ("Intai").

The increase in deferred tax assets was in relation to the taxable loss incurred in Intai in FY2012.

Current Assets

The decrease in cash and short-term deposits by approximately US$4.4 million was due mainly to payments made for operating expenses of the Group and payments for the construction of the new factory during the year. The decrease was partially offset by the receipt of the 2nd tranche of the land compensation upon the substantial completion of its factory by Intai. As announced on 15 November 2011, Intai will receive approximately RMB35.6 million in 3 tranches, the first tranche having been received in FY2011.

Trade receivables for the Group as at FY2012 was related to ore concentrate sales made during the last 2 months of the financial year.

The decrease in the Group's other receivables and prepayments by approximately US$1.2 million was due mainly to the receipt of the 2nd tranche of the land compensation. The decrease was partially offset by advances made to suppliers and VAT receivables.

The Group's inventories increased by approximately US$1 million as a result of higher finished goods held towards the end of FY2012 compared to FY2011.

Current Liabilities

The increase in trade payables of approximately US$165k was due to purchases of raw materials during the last quarter of FY2012.

The increase in the Group's and Company's other payables by approximately US$47k and US$58k, respectively, is mainly due to higher staff costs accrued as at FY2012 compared to FY2011.

The deferred revenue relates to the remaining compensation (third tranche) as mentioned under "Current Assets" above. The deferred revenue will be released upon Intai fulfilling the qualifying compensation criteria for the third tranche. The decrease arose from the release of the 2nd tranche of the compensation.

Non-Current Liabilities

The deferred tax liabilities arose from the net compensation of land recognised by Intai. The increase in FY2012 compared to FY2011 was as a result of the new tax law as mentioned under "Income tax" above.

Shareholders' Equity

Shareholders' equity increased by US$0.1 million from US$37.5 million to US$37.6 million due mainly to the Group's other comprehensive income arising from the appreciation of the RMB against the USD for the financial year ended 30 November 2012 which was partially offset by the net loss after tax recognized by the Group..

Cash Flow (FY2012 VS FY2011)

The net decrease in cash and cash equivalents for FY2012 was due mainly to the increase in trade receivables and inventories, payments for operating expenses and payments for the construction of the new factory. The decrease was partially 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.

The Group's full year results are in line with the Company's 3Q2012 results announcement made via SGXNet on 9 October 2012.

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.

The completion of the Group's indium refinery production facilities and factory building has been delayed pending the receipt of approval from the local fire safety department. Barring any unforeseen circumstances, the Board expects to obtain the relevant approval and the Group to commence production within the first quarter of 2013.

On the other hand, the construction of the zinc sulfate production facilities has yet to commence due to the delays by the Liucheng local government in the PRC in issuing the environmental approval for the production of zinc sulfate ("Original Project").

In view of the prolonged delay in obtaining the environmental approval, the Group has decided to discontinue the Original Project. This will result in the Group's cost of production for indium remaining high and production output would be affected. The Board will explore other business options to better utilize the said land and update shareholders accordingly in due course.

The Board would also like to inform shareholders that for strategic purposes, Union Zinc would be recommencing the production of zinc oxide via the rental of the production facilities from a third party sometime during the first quarter of the calendar year 2013.

With the expansion of the Group's business scope, the Group's trading activities during FY2012 has picked up substantially and the Board expects the Group's volume of trading activities to sustain in FY2013. Notwithstanding this, the industry that the Group operates in continues to be subjected to uncertain demand and the pricing volatility of commodities. As such, the Board and Management expect the Group's business environment to continue to be tough and challenging in 2013.

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 year ended 30 November 2012.

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 2012.

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

2012	Indium ingots US$'000	Zinc and related products US$'000	Ore concentrates US$'000	Other products US$'000	Elimination US$'000	Group Total US$'000
Revenue						
-Sales to external customers	2,462	4,486	20,591	1,986	-	29,525
Total revenue	**2,462**	**4,486**	**20,591**	**1,986**	**-**	**29,525**
Interest income	-	-	-	-	-	178
Depreciation of property, plant and equipment	(34)	(7)	(17)	(4)	-	(62)
Reversal of inventories/(inventories write down)	260	-	-	-	-	260
Segment profit/(loss)	1,966	(28)	(1,192)	(13)	-	733
Assets:						
Segment assets	2,967	-	923	2,593	(24)	6,459
Unallocated assets	-	-	-	-	-	34,666
Liabilities:						
Segment liabilities	-	-	-	1	-	1
Deferred tax liability	-	-	-	-	-	1,140
Tax payable	-	-	-	-	-	47
Unallocated liabilities	-	-	-	-	-	2,375
Capital expenditure on property, plant and equipment	(1,159)	-	(4)	-	-	(1,163)

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

(b) Analysis by geographical segments

	Segment revenue		Segments assets		Capital expenditure	
	2012	2011	2012	2011	2012	2011
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
China/Hong Kong	29,525	1,950	18,058	17,944	1,161	129
Singapore	-	36	23,067	24,113	2	3
Discontinued operations	-	(144)	-	-	-	(5)
	29,525	1,842	41,125	42,057	1,163	127

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 increases in the revenue of indium ingots, zinc and related products due to the increase in the quantity sold in FY2012.

The increase in sale of indium ingots, zinc and related products arose mainly from the increase in the Group's trading activities arising from the expansion of the Group's business scope. This has also resulted in the new product group "Ore concentrates" for FY2012. There were minimal sales of these 2 latter groups of products in FY2011 as the shareholders mandate for the Group's expanded business scope was only obtained on 20 September 2011.

The Group recorded a significant increase in its sales to the PRC and Hong Kong markets. The increase in FY2012 was due mainly to the sale of ore concentrates and higher sales of zinc and zinc related products as well as indium ingots in FY2012 arising from the increased trading activities of the Group and the focus of the Group's target market in China.

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	16,423	649	2430.5
(b) Operating loss after tax before deducting minority interests reported for first half year	(712)	(856)	(16.9)
(c) Sales reported for second half year	13,102	1,193	998.2
(d) Operating profit after tax before deducting minority interests reported for second half year	534	917	(41.9)

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	(100.0)
(b) Operating loss after tax before deducting minority interests reported for first half year	-	(96)	(100.0)
(c) Sales reported for second half year	-	39	(100.0)
(d) Operating loss after tax before deducting minority interests reported for second half year	-	(63)	(100.0)

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(13) 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

Chen Cong
Executive Director/CEO
22 January 2013