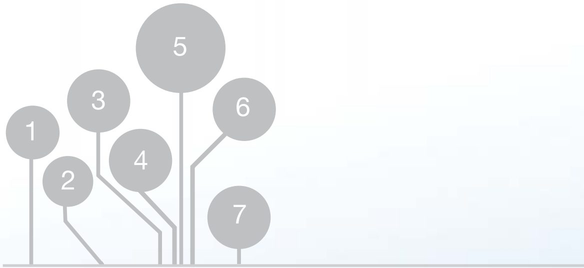
metech INTERNATIONAL

GLOBAL RESPONSIBLE RECYCLER

ANNUAL REPORT 2012



1. Warehouse, Denver
2. Testing, Wales
3. Demanufacturing, Denver
4. Shredder Loading Worcester
5. Refurbishing, Wales
6. Laser Cutting CRT, Durham
7. Dismantling, Wales

Mission

A global electronics recycling service provider, offering professional and secured solutions in compliance with legislation while minimizing environmental impact.

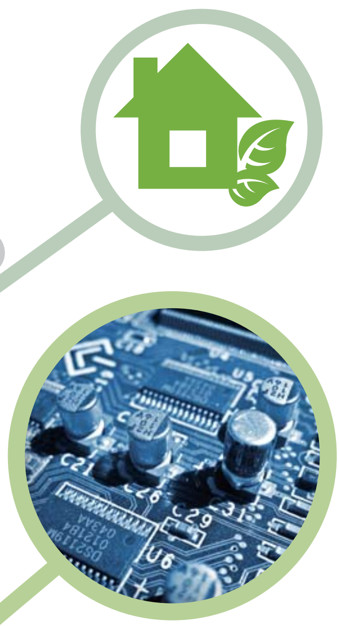
Contents

Chairman's Statement

Dear Shareholders

The financial year ended June 2012 was an eventful one.

Centillion Environment & Recycling Limited (the "Company" or "Metech") was placed on the SGX Watchlist on 6 September 2011, after its market capitalisation fell below $40 million when the SGX began allowing share prices to trade below $0.005 on 4 July 2011. On 25 October 2011, Equation Corp Limited sold its entire controlling stake in the Company to Asia Dynamic Pte Ltd. The Board of Directors then ushered in a new Chairman and put in place a new management team to run the Company, which was renamed Metech International Limited on 16 May 2012 in order to build on the 44 year-old Metech brand of its wholly-owned subsidiary in the United States ("US"), Metech Recycling Inc. ("Metech USA").

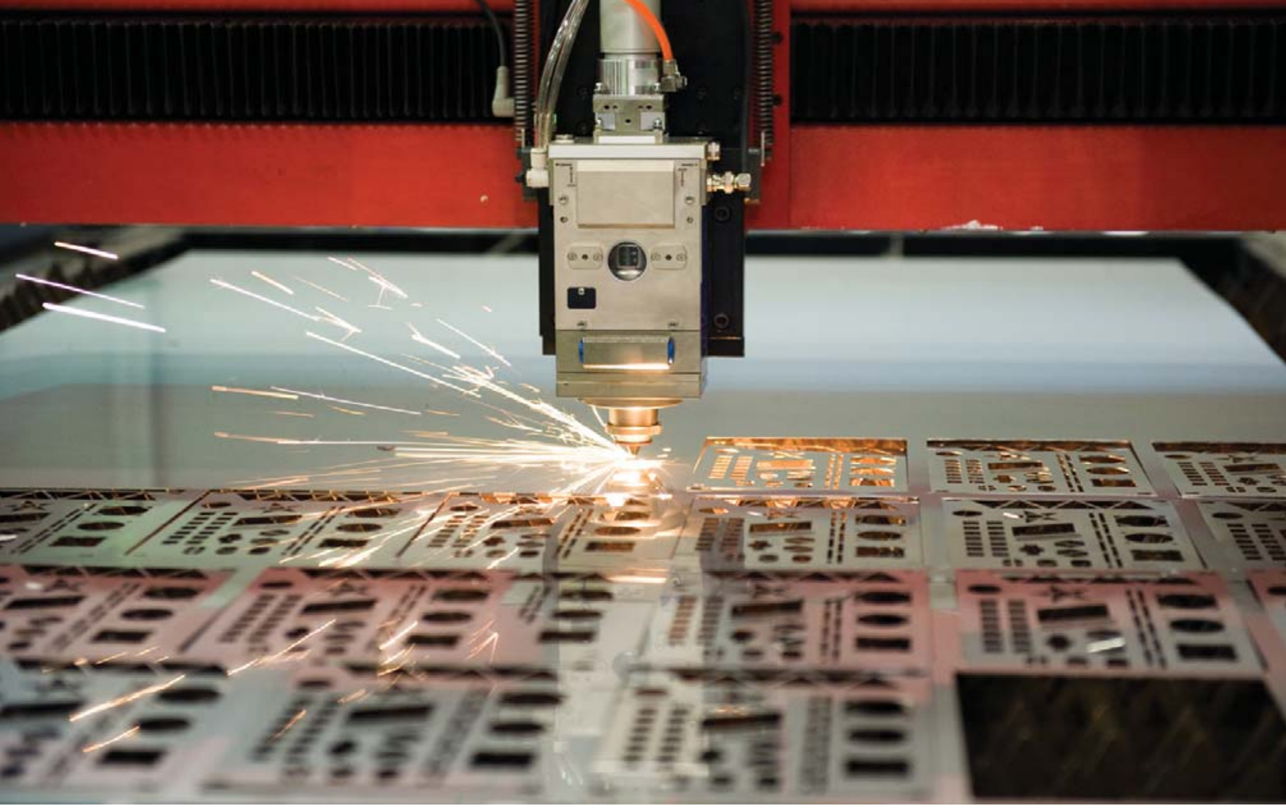


A YEAR OF CONSOLIDATION

In the earlier part of 2011, the Company had disposed of its Singapore and Wuxi (China) facilities and repaid a significant amount of debts arising from past operations in the US. Besides, the mortgage loan of US$2.1 million for the Gilroy (California) factory, which was due on 14 December 2011, was fully redeemed with a short-term loan from the new controlling shareholder. This loan was later paid off during the year from operating cash-flow generated in Singapore.

For its full-year results, the Company removed the Deferred Tax Credit of about S$1.7 million as required under US laws and wrote off the remaining goodwill of close to S$9.1 million related to the acquisition of Metech USA, resulting in a significant full-year loss of more than S$16.4 million. The efforts strengthened the Balance Sheet of Metech USA.

Besides the Balance Sheet, some areas of weakness and inefficiency in the Company's US operations were discovered and reviewed. The Omaha (Nebraska) operation, which sat on a leased-factory and had not been profitable since inception about two years ago, was shut down in June 2012. The remaining five facilities in the US, viz. Worcester (Massachusetts), Creedmoor (North Carolina), Denver (Colorado), Salt Lake City (Utah) and Gilroy were restructured. The centralised control of operations out of Worcester and of compliance out of Denver have been removed. From July 2012, each facility is headed by a General Manager responsible for the profit and loss of his region. This will provide greater agility and accountability at local level. Gilroy, in California, which occupies the Company's only owned-factory in the US, will gradually become the centre of gravity. More cost-cutting measures have been put in place, which



includes greater mechanisation to reduce over-reliance on manual labour. These changes are expected to have a more visible impact on the profitability of the US operations from the second quarter of the new financial year starting 1 July 2012.

The Company's Europe operations have been hit by uncertainties surrounding the Euro debt crisis. Our United Kingdom ("UK") Operation lost an anchor customer, resulting in lower revenue. The new factory in Czech Republic ("Czech") experienced significant start-up resistance given the generally dull economic environment in the eastern part of Europe. Both the UK and Czech facilities are under-utilised and operating below optimal level. More drastic measures are needed in Europe. This will be a key focus for the coming year.

BOARD AND MANAGEMENT CHANGES

Mr Richard Basil Jacob stepped down as the Chief Executive Officer ("CEO") on 31 August 2011. Mr Chng Weng Wah, the incumbent Chairman, stood in as the Acting CEO until 25 October 2011 when he handed over both positions to Mr Simon Eng ("SE"), a director of the new controlling shareholder, Asia Dynamic Pte Ltd. Mr Andrew Eng ("AE") joined the Company as its President on the same day.

SE was instrumental in the review and subsequent revamp of the US Operation, the most important part of the Company's current business. After completing the revamp and having adequately prepared AE for the challenges ahead, SE, who is the Chairman and CEO of another SGX mainboard-listed company, stepped down on 1 September 2012. His position as the Chairman was replaced by Mr Song Tang Yih ("STY"), a professional manager and investor who has agreed to come onto the board of Metech after having contributed substantially in California-based Palo Alto Networks, which went public at New York Stock Exchange in a hugely successful Initial Public Offer in July 2012. STY's work experience at senior position in US companies will be useful to the Company. STY is the new Non-Executive Chairman. As there was no Executive Director on the Board, the Nominating

Chairman's Statement

Committee ("NC") decided to appoint AE as an Executive Director while continuing as the President of the Company.

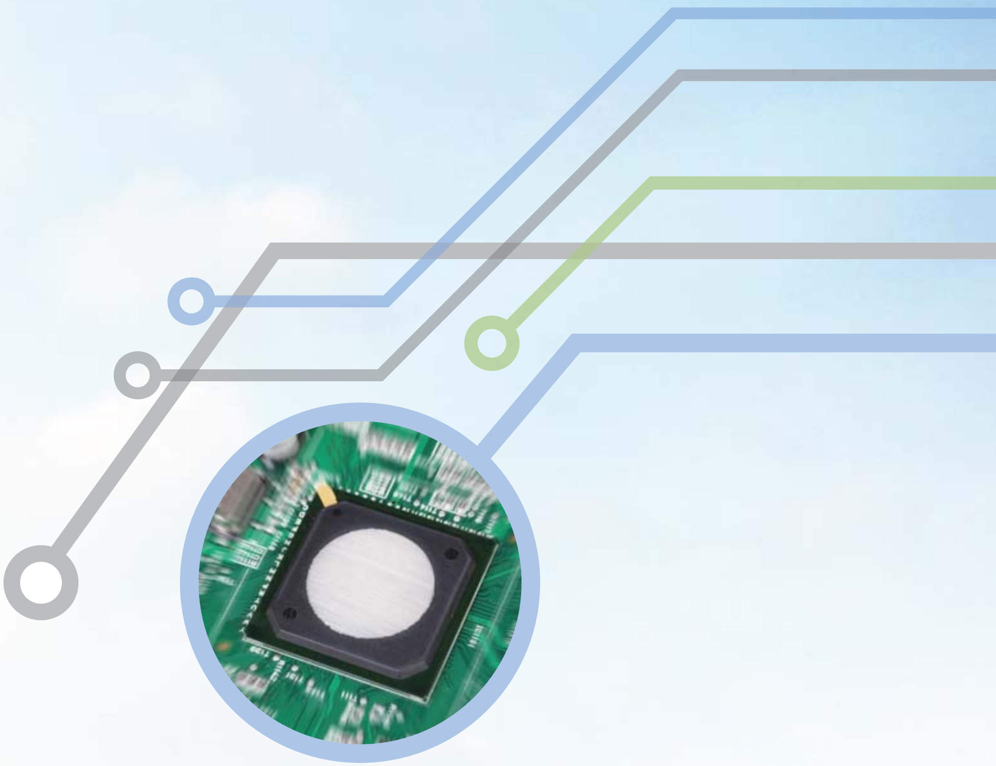
Mr. Francis Lee Fook Wah ("FL"), who has extensive experience in investment in equities and fixed income instruments, and has been an Independent Director of two other SGX-listed companies, joined the Board on 1 August 2012 as the third Independent Director. The NC will continue to seek out new qualified and experienced directors to join and strengthen the Board.

The Company would like to take this opportunity to thank the directors who had retired from the former Board and the three directors, Ms Li Ling Xiu (Non-Executive Director), Mr Jen Shek Voon (Deputy Chairman and Lead Independent Director) and Mr Derek Loh (Independent Director) who have stayed on to ensure continuity.

LOOKING FORWARD

The uncertainties in the world economy remain a threat to the Company; and the increasing competition in the electronic wastes industry, not just in Asia but also in Europe and the US, is a major challenge to our ability to become profitable. This is particularly so in Europe and the US where compliance costs in both environmental and corporate governance aspects have gone up disproportionately. To survive in such an environment, a consolidation of the major players in this industry appears to be the going trend, especially in the US.

While the Company continues its efforts to improve its current operations in the electronics end-of-life (EoL) services in Europe and the US, it has to reinvest in Asia so as to capitalise on the available networks and the strength of its Asian exposure to build a world-wide footprint that will distinguish itself from competitors in Europe and the US who do not have a global coverage.



The Company has to also explore other areas of recycling and waste management that are less volatile to fire up a second engine of growth. To this end, it has started to look beyond organic growth and explore opportunities to acquire profitable businesses or companies.

APPRECIATION

On behalf of the Board, I would like to thank all our shareholders for the continued support and confidence in the Company. My sincere gratitude extends also to our business partners, financial institutions and other stakeholders.

To our Board, management and staff, I look forward to the same dedication, commitment and contribution to the Company and the previous Chairman, on whose behalf I express the highest appreciation.

As the new Chairman, I assure you of my full commitment to the Company and the Board. Armed with guidance from the Board and the commitment of the management and staff, I am sure we will continue to create and deliver sustainable values to our shareholders.

Song Tang Yih
Non-Executive Chairman

Board of Directors

MR SONG TANG YIH

Non-Executive Chairman

Mr Song joined the Company on 1 September 2012 as Non-Executive Chairman. Mr Song has been in the info-communication industry for 22 years. He was Vice President of Asia Pacific for Palo Alto Networks (NYSE: PANW) from 2010 to 2012. Prior to that, he joined F5 Networks (NASDAQ:FFIV) in 2002 and became its Vice President of Asia Pacific in 2007. Between 2000 and 2012, he worked for a venture capital firm. Mr Song graduated from the National University of Singapore with a Bachelor of Science degree.

MR JEN SHEK VOON

Deputy Chairman and Lead Independent Director

Mr Jen is an Independent and Non-Executive Director of a number of companies listed on the various stock exchanges in Singapore, Malaysia and Hong Kong, SAR. Mr Jen is an accounting graduate from the University of Singapore (B Acc. Honours, 1970), and has a post-graduate Commerce degree from the University of New South Wales, Sydney, Australia (M Comm. Honours, 1975). He is a Fellow of the Institute of Chartered Accountants in Australia, Association of Chartered Certified Accountants, UK, Taxation Institute of Australia, and the Singapore Institute of Directors, respectively. In addition, he is a practicing member of the Institute of Certified Public Accountants, Singapore, a member of the Malayan Institute of Accountants, and a Public Accountant licensed by the Accounting and Corporate Regulatory Authority, Singapore.

MR LOH EU TSE DEREK

Independent Non-Executive Director

Mr Derek Loh is presently an Executive Director in TSMP Law Corporation and also an Independent Director of Freight Links Express Holdings and Vietnam Enterprise Ltd., a member of the Irish Stock Exchange. He is a member of the Board of Governors of Saint Joseph's Institution, Singapore and also a Trustee and a member of the Management Committee of the SJI Foundation. Derek graduated with honours from Cambridge University and has been practising law for the past 19 years as an Advocate and Solicitor of the Supreme Court.

MS LI LING XIU

Non-Executive Director

Ms Li is the Chief Executive Officer of Chip Lian Investments (HK) Limited ("Chip Lian") and Sanion Enterprises Limited. Prior to joining Chip Lian, she was the Group Deputy General Manager of China Strategic Holdings Limited, a listed company in Hong Kong. Ms Li sits on various Board of Directors, including IPC Corporation Limited. She is also a Director of Fudan Premium Fund Management. Graduated as Bachelor of Arts in Hunan, Ms Li has also attended Advanced Management Program in Harvard Business School.

MR CHOW HOCK MENG

Alternate Director to Ms Li Ling Xiu

Mr Chow has been with Chip Lian Group of companies since 1983 as a manager in charge of corporate finance and investment. He is currently the General Manager of Oei Hong Leong Foundation Pte Ltd. Mr Chow graduated from Monash University with a Banking and Finance degree.

MR FRANCIS LEE FOOK WAH

Independent Non-Executive Director

Mr Francis Lee is currently the Director of Wise Alliance Investments Ltd, a foreign incorporated company focusing on investing in equities and fixed income instruments. He is presently an Independent Director of two other SGX listed companies. Prior to this, he spent about 5.5 years with Man Wah Holdings Ltd, a company listed on the Hong Kong Exchange as Chief Financial Officer where he oversaw the accounting functions, corporate regulatory compliance and reporting of the company. He was also the Finance and Executive Director of Man Wah Holdings Ltd. Francis graduated from the National University of Singapore with a Bachelor's Degree in Accountancy and holds a Master of Business Administration from University of Hull.

MR ANDREW ENG

Executive Director and President

Mr Andrew Eng, after having left the civil service in 1991, had been a distinguished financial advisor and was consistently ranked the top 5% of the financial industry globally for the last 20 years. He has ventured into many businesses and is successful in turning the companies around. Prior to this, he held position as Chief Executive Officer and was responsible for steering the group of companies and its subsidiaries. Andrew graduated from the National University of Singapore with a Bachelor of Engineering (Mechanical) degree.

Corporate Information

BOARD OF DIRECTORS

Song Tang Yih
(Non-Executive Chairman)

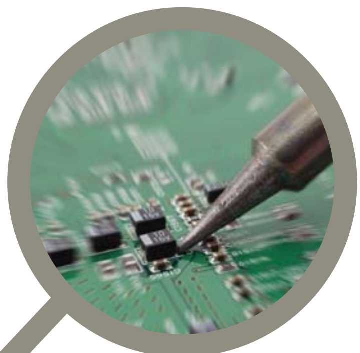
Jen Shek Voon
(Deputy Chairman and Lead Independent Director)

Derek Loh
(Independent Non-Executive Director)

Francis Lee
(Independent Non-Executive Director)

Li Ling Xiu
(Non-Executive Director)
(Alternate: Chow Hock Meng)

Andrew Eng
(Executive Director and President)



AUDIT COMMITTEE

Jen Shek Voon (Chairman)
Francis Lee
Li Ling Xiu

NOMINATING COMMITTEE

Francis Lee (Chairman)
Derek Loh
Jen Shek Voon

REMUNERATION COMMITTEE

Derek Loh (Chairman)
Francis Lee
Jen Shek Voon

SECRETARY

Shirley Lim

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Singapore Land Tower
Singapore 048623
Tel: 65 6536 5355
Fax: 65 6536 1360

AUDITORS

Moore Stephens LLP
10 Anson Road #29-15
International Plaza
Singapore 079903

AUDIT PARTNER-IN-CHARGE

Chris Johnson
Appointed for the financial year ended 30 June 2012

Corporate Governance Report

The Board of Directors of Metech International Limited ("Metech" or the "Group") is committed to achieving and maintaining high standards of corporate governance within the Metech Group. Metech recognises the importance of good corporate governance for continued growth and investors' confidence. We continuously review and improve our principles and practices so as to ensure that they stay relevant.

We have adhered to the principles and guidelines of the Code of Corporate Governance 2012 (the "Code") and any deviances from the Code are explained in this report.

BOARD MATTERS

Board's Conduct of Affairs

Effective Board to lead and control (Principle 1)

The key roles of the Board of Directors (the "Board") are to protect and enhance long-term shareholders value and returns, set the Group's corporate strategies and directions, oversee management of the Group's business affairs, financial performance and key operational initiatives, and implementations of risk management policies and practices.

The Board is also responsible for the overall corporate governance of the Group including setting its strategic direction, establishing goals for Management and monitoring the achievement of these goals.

The Executive Director, who is also the President, plays an active role in the management of the Group and the formulation of corporate strategies and is also responsible for the day-to-day operations and administration of the Group.

The Board comprises the following directors:

Song Tang Yih	–	Non-Executive Chairman
Jen Shek Voon	–	Deputy Chairman and Lead Independent Director
Derek Loh	–	Independent Non-Executive Director
Francis Lee	–	Independent Non-Executive Director
Li Ling Xiu (Alternate: Chow Hock Meng)	–	Non-Executive Director
Andrew Eng	–	Executive Director and President

Corporate Governance Report

To ensure the efficient discharge of its duties and effective independent oversight of the Management, the Board has established the following board committees, primarily made up of Independent and Non-Executive directors:

- *Audit Committee ("AC")*
  The AC comprises Mr Jen Shek Voon (AC Chairman), Mr Francis Lee and Ms Li Ling Xiu, all Non-Executive Directors, the majority of whom, including the Chairman, are independent.

- *Nominating Committee ("NC")*
  The NC comprises Mr Francis Lee (NC Chairman), Mr Derek Loh and Mr Jen Shek Voon, all are Independent Non-Executive Directors. The NC Chairman is not directly associated with any substantial shareholder.

- *Remuneration Committee ("RC")*
  The RC oversees the remuneration policy and is chaired by Mr Derek Loh with Mr Francis Lee and Mr Jen Shek Voon as its members. All members of the RC are Independent Non-Executive Directors.

These committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis. The effectiveness of each committee is also constantly reviewed by the Board.

Dates of Board, Board Committee and Annual General Meetings are scheduled one year in advance in consultation with the Directors to assist the Directors in planning their attendance. Directors can also take full advantage of telephonic attendance and conference via audio-visual communication at Board Meetings as permitted by the Company's Articles of Association. Decisions of the Board and Board Committees may also be obtained via circular resolutions.

The Board Meetings are held on a quarterly basis to review and approve the release of the quarterly results and discuss reports by Management on the performance of the Group, its plan and prospects. Additional meetings are also held to specifically consider other issues arising during the year. Directors are free to discuss and voice their concerns on proposals that are raised for the Board's consideration and approval. To ensure sound corporate governance and independent business judgment, all Board Meetings require at least one Independent Director to form a quorum.

The Company believes that the contributions of the Directors can be measured by means other than the attendance at such meetings. A Director is appointed on the strength of his/her caliber, knowledge and his/her ability to contribute to the proper guidance of the Company and its businesses. His/her contributions may be in many forms such as the Management's access to him/her for guidance or exchange of views outside the formal environment of Board Meetings and also his/her potential to bring relations, which are strategic to the interests of the Group.

The Group has adopted a set of internal controls and guidelines that set out financial authorisation and approval limits for borrowings, including off balance sheet commitments, investments, acquisitions, disposals, capital and operating expenditures, requisitions and expenses. Under the financial authorisation and approval limits, approval sub-limits are provided at management levels to facilitate operational efficiency.

The Company has in place internal guidelines on a number of corporate events and actions for which Board approval is required. They include the following:

(a) approval of results announcement;

(b) approval of the annual report and accounts;

(c) declaration of interim and/or proposal of final dividends;

(d) authorisation of new banking facilities;

(e) approval of change in corporate strategy;

(f) convening of shareholders' meeting; and

(g) approval of acquisitions and disposals and funding of investments.

Newly appointed Directors are provided with relevant materials concerning the Company and informal sessions with the Executive Director to acquaint themselves with the Group's history, strategic direction and industry-specific knowledge, business and governance practices. Directors also have the opportunity to visit the Groups' operational facilities and meet with the Management to gain a better understanding of the Group's business operations. All Directors are free to participate in seminars and/or discussion groups and are updated on developments in the operating environment, particularly on relevant new laws and regulations.

Newly appointed Directors have been advised of their statutory and other duties and responsibilities as Directors. The Company encourages the Directors to attend training courses organised by the Singapore Institute of Directors or other training institutions in connection with their duties.

Corporate Governance Report

The Directors' Attendances at the meetings of the Board and Board Committee Meetings Held for the year ended 30 June 2012

	Board	Board Committees		
		Audit	Remuneration	Nominating
No. of Meetings Held	7	5	3	4
Directors	**No. of Meetings Attended**			
Simon Eng[1]	5	NA	–	–
(Alternate: Andrew Eng)[2]	4	NA	–	–
Jen Shek Voon	7	5	3	3
Derek Loh	7	5	2	3
Li Ling Xiu	5	5	1	2
(Alternate: Chow Hock Meng)	–	–	–	–
Tan Cheng Han[3]	1	NA	1	1
Irwin Lim Kee Way[4]	1	NA	1	1
Chng Weng Wah[5]	1	NA	NA	1
Richard Basil Jacob[6]	1	NA	NA	NA

1 Simon Eng resigned with effect from 1 September 2012.

2 Andrew Eng ceased to be an Alternate Director to Simon Eng on 1 September 2012 and was appointed as Executive Director with effect from 1 September 2012.

3 Tan Cheng Han retired at the last annual general meeting held on 31 October 2011.

4 Irwin Lim Kee Way resigned with effect from 28 October 2011.

5 Chng Weng Wah retired at the last annual general meeting held on 31 October 2011.

6 Richard Basil Jacob resigned with effect from 31 August 2011.

Board Composition and Guidance

Strong and independent Board exercising objective judgement (Principle 2)

The Board presently comprises 6 Directors and 1 Alternate Director, one of whom is an Executive Director, with the remaining 6 directors as being Non-Executive Directors. 3 of the 6 Non-Executive Directors are also Independent Directors. The Board is able to exercise objective judgment on the Company's corporate affairs, as the Independent Directors are able to contribute their independent views and provide a strong and independent element to the Board. The Board has adopted the definition in the Code of what constitutes an Independent Director in its review of the independence of each Director. The Independent Directors are independent of substantial shareholders of the Company. Profiles of the Directors are set out in the Board of Directors section of this Annual Report.

The composition of the Board takes into consideration of the nature and scope of the Group's operations to facilitate effective decision-making. The NC is of the view that the current Board comprises business leaders, professionals with financial backgrounds and practicing lawyers who as a group, provides core competencies necessary to meet the Company's objectives. The Board will continually review its composition and size to determine its impact upon its effectiveness.

Chairman and Acting Chief Executive Officer

Chairman and Chief Executive Officer to be two separate persons to ensure clear division of responsibilities and balance of power and authority (Principle 3)

On 25 October 2011, Mr Simon Eng accepted the Board's recommendation to become the Executive Chairman and Acting Chief Executive Officer ("CEO") of the Company. The Chairman was responsible for the effective conduct of Board meetings. Duties in respect of Board proceedings will include:

(a) scheduling of meetings to enable the Board to perform its duties in a responsible manner while, at the same time, not interfering with the flow of the Group's operations;

(b) exercising control over the quality, quantity and timeliness of information exchange between the Board and the management as well as the effectiveness of decision-making process; and

(c) taking the leading role in ensuring the Group's compliance with the Code.

Mr Simon Eng, Acting CEO of the Company, was responsible for overseeing the overall management and strategic development of the Group. He reported to the Board and ensured that policies and strategies adopted by the Board were implemented.

Since the Chairman and CEO of the Group were not separate roles, Mr Jen Shek Voon was appointed as Deputy Chairman and Lead Independent Director to lead and coordinate the activities of the Non-Executive Director of the Company. The Board is of the view that the discharge of responsibilities in the two roles by the same person will not be compromised as there exist a strong independent element of the Board and there is adequate balance of power and safeguards in place against any uneven concentration of authority in a single individual.

On 1 September 2012, Mr Song Tang Yih acquired the entire stake from Mr Simon Eng and became a substantial shareholder of the Company. He subsequently took up the role as Non-Executive Chairman of the Company, replacing Mr Simon Eng. Since Mr Simon Eng stepped down from the Executive Chairman and Acting CEO, there is a distinct separation of roles.

Board Membership

Formal and transparent process for the appointment and re-election of directors (Principle 4)

One-third of the Directors are required to retire and subject themselves to re-election by shareholders at every Annual General Meeting ("AGM") and they are required to retire once every three years. All Directors except for the CEO are subject to retirement in accordance with the provisions of the Company's Articles of Association. The CEO would not be subject to retirement by rotation as he holds an important role in the success of the Company. The NC, all of whom are independent non-executive Directors, reviews and considers the retirement and re-election of directors prior to seeking shareholders' approval at the AGM. It has adopted specific terms of reference and its principal function is as follow:

- establish the criteria and desirable attributes of new appointees to the Board and to make recommendations to the Board on all Board appointments;

- make recommendations on all nomination of Directors for re-election having regard to the Director's past contribution and performance;

- determine the independence of the Directors annually, guided by the independent guidelines contained in the Code; and

- assess the performance of the Board as a whole, as well as the contribution of each Director to the effectiveness of the Board.

In identifying new appointment of Directors, the Board considers the range of skills and experience required in the light of:

(a) the geographical spread and diversity of the Group's businesses;

(b) the strategic direction and progress of the Group;

(c) the current composition of the Board; and

(d) the need for independence.

Annually, the NC reviews and assesses the independence of each Director based on the criteria in the Code. The Directors are required to complete and return a questionnaire for review by the NC.

The NC is responsible for identifying and recommending to the Board new Board members, after considering the necessary and desirable competencies. Accordingly, in selecting potential new Directors, the NC will seek to identify the competencies required to enable the Board to fulfill its responsibilities. In doing so, the NC will have regard to the results of the annual appraisal of the Board's performance. The NC may engage consultants to undertake research on, or assess, candidates for new positions on the Board, or to engage such other independent experts, as it considers necessary to carry out its duties and responsibilities.

Pursuant to the Company's Articles of Association, Ms Li Ling Xiu, Mr Francis Lee, Mr Song Tang Yih and Mr Andrew Eng are retiring by rotation and will each submit themselves for retirement and are subject to re-election by the shareholders at the forthcoming AGM.

Board Members

Directors	Position	Date of first appointment	Date of last re-election	Nature of appointment
Song Tang Yih*	Chairman	1 Sep '12	–	Non-Independent/ Non-Executive
Li Ling Xiu* (Alternate: Chow Hock Meng)	Director	29 Sep '06	30 Oct '09	Non-Independent/ Non-Executive
Jen Shek Voon	Director	27 Oct '06	28 Oct '10	Independent/ Non-executive
Derek Loh	Director	10 Feb '10	28 Oct '10	Independent/ Non-Executive
Francis Lee*	Director	1 Aug '12	–	Independent/ Non-Executive
Andrew Eng*	Director	1 Sep '12	–	Non-Independent/ Executive

* Up for re-election at AGM.

Board Performance

Formal assessment of the effectiveness of the Board as a whole and the contribution by each Director (Principle 5)

The Board, through the delegation of its authority to the NC, ensures that Directors appointed to the Board possess the background, experience and knowledge in disciplines and skills critical to the Group's business and that each Director, through his unique contributions, brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made. The criteria for the appointment of a Director are driven by the need to position and shape the Board in line with the needs of the Company and its business.

The NC has decided, in consultation with the Board, on how the Board should be evaluated and has selected a set of performance criteria that is linked to long-term shareholders' value, to be used for performance evaluation of the Board.

A formal process is adopted to assess the effectiveness of the Board as a whole and the contribution by each individual Director to the effectiveness of the Board by taking into account the complementary and collective nature of the Directors' contribution and of each individual Director.

Though some of the Board members have multiple board representations, the NC is satisfied that the Directors have devoted sufficient time and attention to the Group.

The Board is of the view that the financial parameters recommended by the Code as performance criteria for the evaluation of Directors' performance may not fully measure the long-term success of the Company and is less appropriate for the Non-Executive Directors and Board's performance as a whole.

ACCESS TO INFORMATION AND ACCOUNTABILITY

Board members to have complete, adequate and timely information (Principle 6)

Board's accountability to the shareholders and Management's accountability to the Board (Principle 10)

Directors are furnished with information on matters to be considered at Board meetings through the circulation of comprehensive Board papers to ensure that Directors are provided with timely and adequate information from the management. The Board papers include sufficient information on financial, business and corporate issues to enable the Directors to be properly briefed on issues to be considered at the Board meetings. Where necessary, senior members of the management staff or external consultants engaged on specific projects are available to provide explanatory information in the form of briefings to the Directors or formal presentations in attendance at Board meetings.

The Directors, in furtherance of their duties, are allowed to seek and obtain legal and other independent professional advice, if necessary, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfill their roles and responsibilities as Directors.

All Directors are, from time to time, furnished with information concerning the Company to enable them to be fully cognizant of the decisions and actions of the Company's executive management. The Board has unrestricted access to the Company's records and information. The Directors may also liaise with the senior management as and when required to seek additional information. In addition, the Directors have separate and independent access to the Company Secretary, who is responsible to the Board for ensuring that established procedures and relevant statutes and regulations are complied with.

The management provides the Executive Director with detailed management accounts of the Group's performance, position and prospects on a monthly basis. The management feels that this is sufficient and if there are any material deviations, the Non-Executive Directors will be informed immediately.

During the quarterly review of financial results, the President and Group Financial Controller are also present to address any queries that the Board may have. Further, internal procedures have been put in place to enable each member of the Board reviewing the interim financial statements to immediately raise any material information known to him which may render the interim financial results to be false or misleading prior to their release to SGX. Should there be any significant adverse issue(s) raised by the AC or Board member which may affect the results in a material way, the scheduled date of the results announcement will be postponed to allow time for investigation or further review.

The Board is accountable to the shareholders. It is the aim of the Board to provide shareholders with a balanced and understandable assessment of the Company's performance, position and prospects when presenting financial and other price sensitive public reports, and reports to regulators.

REMUNERATION MATTERS

Procedure for Developing Remuneration Policies

Formal and transparent procedure for fixing the remuneration packages of individual directors (Principle 7)

Level and Mix of Remuneration

Remuneration of directors to be adequate and not excessive (Principle 8)

Disclosure of Remuneration

Clear disclosure on remuneration policy, level and mix of remuneration, and the procedure for setting remuneration (Principle 9)

The remuneration policy of the Group is to provide compensation packages at market rates, reward successful performance, and attract, retain and motivate managers and Directors. The remuneration packages take into account the performance of the Group and the individual Directors.

The RC recommends to the Board a framework of remuneration for the Directors and senior executives, and determines specific remuneration package for the Executive Director. All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits in kind are covered by the RC. It also administers the Centillion Employee Share Option Scheme ("CESOS") or any long-term incentive scheme which may be set up from time to time.

To enable it to carry out its duties, the RC has access to expert professional advice on human resource matters whenever there is a need to consult externally.

The President, as an Executive Director, does not receive any Director's fees. As the lead member of the management, his remuneration consists of a basic salary component and a variable component (annual bonus), which is based on the Group's performance and his individual performance.

Corporate Governance Report

Non-Executive Directors are remunerated via Director's fees, which is based on a scale of fees divided into basic retainer fees and service on Board Committees. Directors' fees are subject to approval by the shareholders at AGM.

Directors' fees totalled $100,000 in 2012 (2011: $173,000) and were derived using the following rates:

Board of Directors	**2012**	**2011**
• Basic Fee	$24,000	$54,000
• Chairman's allowance	$10,000	$75,000
Board Committees		
• Audit Committee Chairman's allowance	$8,000	$15,000
• Other Committee Chairman's allowance	$2,000	$5,000

Breakdown of Directors' Remuneration (in %)

Directors	Remuneration Band	Salary	Bonus	Fees	Other Benefits	Total
Chng Weng Wah*	Below $250,000	–	–	100	–	100
Li Ling Xiu	Below $250,000	–	–	100	–	100
Lim Kee Way Irwin#	Below $250,000	–	–	100	–	100
Tan Cheng Han*	Below $250,000	–	–	100	–	100
Jen Shek Voon	Below $250,000	–	–	100	–	100
Derek Loh	Below $250,000	–	–	100	–	100
Simon Eng^	Below $250,000	–	–	–	–	–

** Retired with effect from 31 October 2011.*

 # Resigned with effect from 28 October 2011.

^ Resigned with effect from 1 September 2012 and received a monthly advisory fee of $10,000 during his tenure.

Gross Remuneration

Name	Remuneration Band	Salary	Bonus/ Commission	Fees	Other Benefits	Total
Andrew Eng	Below $250,000	91	–	–	9	100
Chew Sien Lup	Below $250,000	95	–	–	5	100
Christopher Ryan	Below $250,000	86	–	–	14	100
John Miller	Below $250,000	86	–	–	14	100
John Eric Anderson	Below $250,000	64	22	–	14	100

There is no employee of the Company and its subsidiaries who is an immediate family member of any Director whose remuneration exceeds S$150,000 during the financial year.

INTERNAL CONTROL AND AUDIT

AUDIT COMMITTEE

Establishment of Audit Committee with written terms of reference (Principle 11)

The AC is guided by its terms of reference that set out its duties and responsibilities to assist the Board to maintain a high standard of Corporate Governance, particularly by providing an independent review of the effectiveness of the financial reporting, management of financial and control risks, and monitoring of the internal control systems. The AC has the power to conduct or authorise investigations into any matters within the AC's scope of responsibility. It has also been given reasonable resources to enable it to perform its function properly.

The Board is of the view that the members of the AC are appropriately qualified to discharge their responsibilities.

The AC meets periodically with the Group's external auditors to review accounting, auditing and financial reporting matters so as to ensure that an effective control environment is maintained in the Group. Specifically, the AC:

(a) reviews and evaluates the financial and operating results and accounting policies;

(b) reviews the audit plans and scope of audit examination of the external audit and their evaluation of the system of internal accounting controls arising from the audit and audit reports and matters which the external auditors wish to raise;

(c) reviews the annual and quarterly financial statements and announcements to shareholders before submission to the Board for adoption;

(d) reviews the transactions falling within the scope of Chapter 9 of the Singapore Exchange Securities Trading Limited Listing Manual ("Listing Manual"); and where necessary, reviews and seeks approval for interested person transactions;

(e) reviews the non-audit services provided by the external auditors and whether the provision of such services affects their independence; and

(f) considers the appointment/re-appointment of external auditors and matters relating to the resignation or dismissal of external auditors.

The AC has full access to the management and also full discretion to invite any Director or Executive Officer to attend its meetings, as well as reasonable resources to enable it to discharge its function properly. The AC meets with the external auditors, without the presence of the Company's management as recommended by the Code at least once a year.

Corporate Governance Report

The Company has appointed a suitable auditing firm to meet its audit obligation, having regard to the adequacy and experience of the auditing firm and the audit engagement partner assigned to the audit. The Company confirms that Rule 712 of the Listing Manual is complied with.

The auditors of the Company's subsidiaries and jointly controlled entities are disclosed in Note (13) to the financial statements in this Annual Report. The Board and AC have considered and confirmed that the appointment of different auditors would not compromise the standard and effectiveness of the audit of the Company and the Group. Accordingly, Rule 716 of the Listing Manual is complied with. The Board and the AC also noted that adequate information had been received by its auditors from these significant foreign subsidiaries for the purpose of its audit of the Group's financial statements.

The AC has undertaken a review of all non-audit services provided by the auditors and noted during the financial year, there is no non-audit service provided by the auditors.

Having noted that the Disclosure and Accounting Standards Committee and the Listing Manual prescribe for the mandatory rotation of audit partners for listed companies every five years, the AC was of the view that in the interests of good corporate governance, the Company's auditors should be rotated as well. Such rotation will also allow the Company to better manage its audit costs. KPMG LLP, having served as auditors of the Group since the financial year ended 30 June 2008, was informed by the Company of its desire to rotate its auditors, and has accordingly provided the Company with its notice of resignation dated 11 January 2012. Pursuant to its notice of resignation dated 11 January 2012, KPMG LLP has informed the Company that they intend to resign as auditors of the Company. The Company has sought a suitable replacement and propose that Moore Stephens LLP be appointed in place of KPMG LLP for the financial year ending 30 June 2012. The resignation of KPMG LLP as the auditors of the Company and the appointment of Moore Stephens LLP as the new auditors of the Company took effect upon the approval of the Shareholders at the EGM on 16 May 2012. The appointment of Moore Stephens LLP as the new auditors of the Company was proposed after having considered the factors set out in Rule 712(1) of the Listing Manual and the opinions of the Directors. The Directors (in consultation with the AC) are of the opinion that Moore Stephens LLP will be able to meet the audit requirements of the Group.

INTERNAL CONTROLS

Sound system of internal controls (Principle 12)

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities, and can provide only reasonable and not absolute assurance against material misstatement or loss. The system of internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives.

During the year, the AC on behalf of the Board, has reviewed the reports of external auditors relating to the effectiveness of the Group's material internal controls, including financial, operational and compliance controls, and risk management. It also reviews the effectiveness of the action taken by the Management on the recommendations made by external auditors in this respect.

The AC has reviewed the Company's system of internal controls and is satisfied that the overall systems of controls are adequate to meet the needs of the Group in its current environment. Based on the reports by external auditors, the Board, with the concurrence of the AC, is satisfied that there are adequate internal controls in place for the Group to address financial, operational and compliance risks during the year.

The Company has also put in place a whistle blowing framework, which provides guidelines and a procedure for the staff of the Company to report concerns or complaints regarding matters of suspected fraud, corruption, dishonest practices or other similar breaches regarding accounting, financial and audit matters, as well as alleged irregularities and violation of a general, operational and financial nature against the Company or against any applicable law, and other matters and ensure that arrangements are in place for independent investigations of such matters and appropriate follow up actions. All employees may address their report to the Chairman of the AC.

INTERNAL AUDIT

Independent Internal audit function (Principle 13)

The Group outsourced its internal audit function to Messrs Ascendenz Consulting Pte Ltd. The internal auditor is tasked to identify, analyse and manage the risks of the Group and promote continuous improvements to the operations.

The internal auditor reports to the Chairman of the AC on any material non-compliance and internal control weaknesses. The AC will oversee and monitor the implementation of any improvements thereto.

The Company has complied with the recommendation of the Code and has set-up its internal audit team effective from 1 January 2011 to ensure that the Company maintains a sound system of internal audit function of the Group. The internal audit team shall report directly to the AC. The AC reviews the adequacy of the internal audit function annually and its standing with the Company to ensure it is able to perform its function effectively and objectively. Based on the information provided to the AC, nothing has come to the AC's attention to cause the AC to believe that the system of internal controls and risk management is inadequate.

The scope of internal audit is to:

- assess if adequate systems of internal controls are in place to protect the funds and assets of the Group and ensure control procedures are complied with;
- assess if operations of the business processes under review are conducted efficiently and effectively and provide assurance that key operational risks are identified and managed; and
- identify and recommend improvement to internal control procedures, where required.

COMMUNICATION WITH SHAREHOLDERS

Regular, effective and fair communication with shareholders (Principle 14)

Greater shareholder participation at annual general meetings (Principle 14)

The Board believes in timely and accurate dissemination of information to its shareholders. In line with continuous disclosure obligations of the Company pursuant to the Corporate Disclosure Policy of SGX-ST, the Board's policy is that all shareholders should be equally and timely informed of all major developments that impact the Company. The Company does not practice selective disclosure.

Pertinent information is communicated to shareholders on timely basis. Communication is made through SGX-ST announcements and press releases on financial results and major developments of the Group, annual reports, notices of and explanatory circulars for the annual general meetings and extraordinary meetings and other disclosures and announcements to SGX-ST and the press, as well as through the Company's website http://www.metechinternational.com from which the shareholders can access information on the Company and the Group.

Annual reports are prepared and issued to all shareholders. The Board makes every effort to ensure that the annual report includes all relevant information about the Group, including future developments and other disclosures required by the SGX-ST Listing Manual, Companies Act and Singapore Financial Reporting Standards.

The AGM is the principal forum for dialogue with shareholders. The Company encourages its shareholders to attend the AGM to ensure a high level of accountability and to stay informed of the Group's strategy and goals. The Articles of Association allow a shareholder to appoint one or two proxies to attend and vote in his/her stead.

The Board welcomes questions and views of shareholders on matters affecting the Company raised either informally or formally before or at an AGM. Board members, Chairmen of the AC, NC and RC and the external auditors are also available to address questions at an AGM.

DEALING IN SECURITIES

The Company has issued a policy on dealings in the securities of the Company to its Directors and officers of the Group. It has adopted a Best Practices Guide on Dealings in Securities.

Directors and officers are prohibited from dealing in the Company's securities for the period of two weeks before the announcement of the Company's first three quarters' results, and one month before the announcement of the Company's full year results and ending on the date of the announcement of the results, or when they are in possession of potentially price sensitive information.

Directors and officers are also not expected to deal in the Company's securities on considerations of a short-term nature.

INTERESTED PERSON TRANSACTIONS

The Company has adopted an internal policy in respect of any transaction with interested persons and has set out the procedures for review and approval of the Company's interested person transactions ("IPT").

When a potential conflict of interest arises, the Director concerned does not participate in discussions and refrains from exercising any influence over other members of the Board.

During the financial period under review, the Company did not have a shareholders' mandate pursuant to Rule 920 of the Listing Manual.

The following IPT were reported to and reviewed by AC during the year:

(a) During the financial year, the Company had agreed to a sub-lease agreement with Advance SCT Limited ("ASCT") and Mapletree Singapore Industrial Trust for the rental of 65 Tech Park Crescent in early 2011 to ASCT. The lease entered into force from 15 August 2011 amounted to S$883,000. Subsequently, the Chairman and CEO of ASCT, Mr Simon Eng, became the controlling shareholder and a Director of the Company on 25 October 2011, and hence the rental under the sub-lease agreement became an IPT. The above amount is the net rental charged by the Company to ASCT for the period 15 August 2011 to 30 June 2012.

(b) Asia Dynamic Pte Ltd ("AD") had extended a loan of S$1,000,000 to the Company during the financial year. The loan was unsecured, repayable on demand and bore interest at 7% per annum and S$600,000 remained outstanding as at the end of financial year ended 30 June 2012. Mr Simon Eng and Mr Andrew Eng were the substantial shareholders and directors of AD as at 30 June 2012.

The AC was of the view that these transactions were operated under normal commercial terms and are not prejudicial to the interests of the Company or its minority shareholders.

Apart from the above and excluding interested person transactions carried out by the Company which fall below S$100,000, there are no other interested person transactions carried out or material contracts entered into by the Group, as defined under the Listing Manual for FY2012.

Prior to entry by the Group into an interested person transaction, the Board and the AC will review such a transaction to ensure that the relevant rules under Chapter 9 of the SGX-ST Listing Manual are complied with.

TREASURY SHARES

There are no treasury shares held by the Company at the end of the FY2012.

Directors' Report

30 June 2012

The directors present their report to the members together with the audited consolidated financial statements of Metech International Limited (formerly known as Centillion Environment & Recycling Limited) (the "Company") and its subsidiaries (collectively the "Group") for the financial year ended 30 June 2012 and the balance sheet of the Company as at 30 June 2012.

1 DIRECTORS

The Directors of the Company in office at the date of this report are:

Song Tang Yih	(Appointed on 1 September 2012)
Jen Shek Voon	
Derek Loh	
Francis Lee	
Li Ling Xiu	
Chow Hock Meng	(Alternate Director to Li Ling Xiu)
Andrew Eng	(Appointed as Executive Director on 1 September 2012)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Except as described in Section 5 of this report, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares, or debentures of the Company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act, Cap. 50 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) were as follows:

	Shareholdings in which directors are deemed to have an interest	
Name of Directors	**At the beginning of the financial year/date of appointment**	**At the end of the financial year**
The Company		
Number of ordinary shares		
Simon Eng (appointed on 1 November 2011)	1,800,000,000	369,174,619
Andrew Eng (appointed as Alternate Director on 1 November 2011)	1,800,000,000	369,174,619

There was no change in any of the above-mentioned interests between the end of the financial year and 21 July 2012.

By virtue of Section 7 of the Act, Simon Eng and Andrew Eng are deemed to have interests in the other subsidiaries of the Company, all of which are wholly-owned at 1 November 2011 to the end of the financial year.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment, if later or at the end of the financial year.

4 DIRECTORS' CONTRACTUAL BENEFITS

Except for salaries, bonuses and fees and those benefits that are disclosed in this report and in Note 25 to the financial statements, since the end of the last financial year, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

5 SHARE OPTIONS

(a) Employee share option scheme

The Centillion Employee Share Option Scheme (the "CESOS") of the Company was approved and adopted by its members at an Extraordinary General Meeting held on 13 June 2002. The CESOS is administered by the Company's Remuneration Committee, comprising three directors, Derek Loh (Chairman), Francis Lee and Jen Shek Voon. Details of the CESOS were set out in the Report of the Directors for the financial year ended 30 June 2000.

Other information regarding the CESOS is set out below:

(i) Up to 50% of the options may be exercised at any time after 12 months and the remaining 50% of the option at any time after 24 months from the date of grant of that option. The Remuneration Committee may designate certain options to be exercised in full after 36 months from the date of grant of that option;

(ii) All options are settled by physical delivery of shares; and

(iii) The options granted will expire after five years for Non-Executive Directors and 10 years for the employees of the Company and its subsidiaries.

At the end of the financial year, details of the options granted under the CESOS on the unissued ordinary shares of the Company, were as follows:

Date of grant	Exercise price per Share S$	Options outstanding at 1/7/2011	Options granted	Options forfeited	Options exercised	Options outstanding at 30/6/2012	Number of option holders at 30/6/2012	Expiry date
Non-Designated Options @ market price								
27.06.2002	0.200	4,262,500	–	4,262,500	–	–	–	27.06.2012
20.11.2003	0.400	4,902,500	–	4,902,500	–	–	–	20.11.2013
26.08.2004	0.540	4,000,000	–	4,000,000	–	–	–	26.08.2014
		13,165,000	–	13,165,000	–	–		

Details of options granted to the following participant under the CESOS:

Name	Options granted for year ended 30/6/2011	Aggregate options granted	Aggregate options exercised	Aggregate options cancelled or forfeited	Aggregate options outstanding as at 30/6/2012
Director of the Company Richard Basil Jacob (resigned w.e.f. 31.8.2011)	950,000	–	–	950,000	–

Since the commencement of the CESOS until the end of the financial year:

(i) no options have been granted to the controlling shareholders of the Company and their associates;

(ii) no participant, other than the participants mentioned above, has received 5% or more of the total options available under the CESOS; and

(iii) no options that entitle the holder to participate, by virtue of the options, in any share issue of any other corporation have been granted.

Except as disclosed below, there were no unissued shares of the Company or its subsidiaries under option granted by the Company or its subsidiaries as at the end of the financial year.

None of the directors of the Company holding office at the end of the financial year were granted options.

(b) Options for Unissued Shares

Pursuant to a subscription agreement dated 8 April 2010, the Company had issued in aggregate of 180,000,000 new ordinary shares in the capital of the Company (the "Subscription Shares") at $0.008 per share with 180,000,000 free attached unlisted options (the "Options"), each Option carrying the right to subscribe for one (1) new ordinary share (the "Option Share") in the capital of the Company at an exercise price of $0.009 in cash per ordinary share. These options may be exercised any time and from time to time within two years from 27 April 2010.

Date of grant of options	Exercise price per Share S$	Options outstanding at 1/7/2011	Options granted	Options forfeited/ expired	Options exercised	Options outstanding at 30/6/2012	Number of option holders at 30/6/2012	Expiry date
08.04.2010	0.009	180,000,000	–	180,000,000	–	–	–	26.04.2012

6 RIGHTS CUM WARRANTS

On 25 May 2012, the Share Consolidation was completed whereby every ten (10) existing shares registered in the name, or standing to the credit of the Securities Account of each Shareholder were consolidated into one (1) Consolidated Share. Accordingly, the issued share capital of the Company comprises 827,346,380 Consolidated Shares after the share consolidation.

Following the Share Consolidation, the Company has undertaken a Rights cum Warrants Issue. The Company has issued 827,346,380 ordinary shares with a free warrant for every new share at an issue price of S$0.01. Each warrant will, subject to the terms and conditions of the Deed Poll, entitle its holder to subscribe for one ordinary share in the capital of the Company at an exercise of S$0.02 (the "exercise price") for each new ordinary share at any time during the period commencing 28 June 2012 and expiring on 27 June 2015. There was no exercise of warrants during the current financial year. As at 30 June 2012, the number of outstanding warrants amounted to 827,346,380.

7 AUDIT COMMITTEE

The Audit Committee ("AC") comprises the following members, all of whom are Non-Executive Directors and Independent Directors:

Jen Shek Voon (Chairman) (Independent Non-Executive Director)
Francis Lee (Independent Non-Executive Director)
Li Ling Xiu (Non-Executive Director)

The AC carries out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Cap. 50, including the following:

(a) Reviews the audit plans of the external auditors of the Company and the assistance given by the Company's management to the external auditors;

(b) Reviews the quarterly announcement of financial statements and annual financial statements and the auditors' report on the annual financial statements of the Company before submission to the Board of Directors;

(c) Reviews the audit plans of the internal auditors of the Company for the subsequent year, and evaluate the internal audit findings in respect of the adequacy of the Company's system of internal accounting controls;

(d) Reviews the effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews as would be carried out by the Company's appointed internal auditors;

(e) Meets with the external auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;

(f) Reviews legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programs and any reports received from regulators;

(g) Reviews the cost effectiveness and the independence and objectivity of the external auditors;

(h) Reviews the nature and extent of non-audit services provided by the external auditors;

(i) Recommends to the Board of Directors the external auditors to be nominated, and reviews the scope and results of audit;

(j) Reports actions and minutes of the AC to the Board of Directors with such recommendations as the AC considers appropriate;

(k) Reviews interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual; and

(l) Undertakes such other functions and duties as may be agreed to by the AC and the Board of Directors.

The AC, having reviewed all non-audit services provided by the external auditors to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditors. The AC has also conducted a review of interested person transactions.

The AC convened five meetings during the year with full attendance from all members. The AC has also met with external auditors, without the presence of the Company's management, at least once a year.

The AC is satisfied with the independence and objectivity of the independent auditors and has recommended to the Board of Directors the nomination of Moore Stephens LLP for their reappointment as independent auditors of the Company at the forthcoming Annual General Meeting.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

8 INDEPENDENT AUDITORS

The auditors, Moore Stephens LLP, Public Accountants and Certified Public Accountants, have expressed their willingness to accept reappointment.

On behalf of the Board of Directors,

....
Andrew Eng
Director

....
Jen Shek Voon
Director

Singapore
2 October 2012

Statement By Directors

30 JUNE 2012

In the opinion of the directors:

(a) the balance sheet of the Company and the consolidated financial statements of the Group, as set out on pages 33 to 93 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2012 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company and the Group will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors,

....
Andrew Eng
Director

....
Jen Shek Voon
Director

Singapore
2 October 2012

Independent Auditors' Report to The Members of Metech International Limited

We have audited the accompanying financial statements of Metech International Limited (formerly known as Centillion Environment & Recycling Limited) (the "Company") and its subsidiaries (collectively the "Group") set out on pages 33 to 93, which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 30 June 2012, and the consolidated statement of comprehensive income, consolidated statement of changes of equity and consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2012 and the results, changes in equity and cash flows of the Group for the year ended on that date.

Independent Auditors' Report to The Members of Metech International Limited

Other Matter

The consolidated financial statements of the Group and the balance sheet of the Company for the year ended 30 June 2011 were audited by another firm of auditors who expressed an opinion with an emphasis of matter relating to the going concern uncertainty on those financial statements in their report dated 6 October 2011.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Moore Stephens LLP
Public Accountants and
Certified Public Accountants

Singapore
2 October 2012

Consolidated Statement of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

	Note	Group 2012 S$'000	2011 S$'000
Continuing Operations			
Revenue	4	**29,618**	21,366
Cost of sales		**(26,615)**	(17,152)
Gross profit		**3,003**	4,214
Other income	5	**927**	635
Distribution expenses		**(2,465)**	(2,031)
Administrative expenses		**(6,205)**	(7,540)
Other expenses	6	**(9,499)**	(1,136)
Finance costs	7	**(476)**	(292)
Loss before income tax	8	**(14,715)**	(6,150)
Income tax (expense)/benefit	9	**(1,671)**	73
Loss from continuing operations, net of tax		**(16,386)**	(6,077)
Discontinued operation			
Profit for the year from discontinued operation	10	**–**	188
Total loss for the financial year		**(16,386)**	(5,889)
Other comprehensive income/(loss):			
Change in fair value of cash flow hedge		**84**	76
Foreign currency translation difference – foreign operations		**554**	(1,597)
Foreign currency translation difference – discontinued operations		**–**	(677)
Total comprehensive loss for the year attributable to owners of the company		**(15,748)**	(8,087)
Loss per share			
Basic and diluted loss per share (cents)	11	**(0.217)**	(0.071)
Basic and diluted (loss)/earnings per share			
Continuing operations (cents)	11	**(0.217)**	(0.073)
Discontinued operations (cents)	11	**–**	0.002

The accompanying notes form an integral part of these financial statements

Balance Sheets

AS AT 30 JUNE 2012

		Group		Company	
	Note	**2012**	2011	**2012**	2011
		S$'000	S$'000	**S$'000**	S$'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	12	**5,939**	6,066	**3**	64
Subsidiaries	13	**–**	–	**–**	17,815
Restricted cash held in trust	14	**560**	541	**–**	–
Intangible asset	15	**–**	8,780	**–**	–
Deferred tax assets	16	**–**	1,689	**–**	–
Amount due from subsidiaries	17	**–**	–	**3,562**	10,681
		6,499	17,076	**3,565**	28,560
Current Assets					
Inventories	18	**738**	1,075	**–**	–
Trade and other receivables	17	**7,810**	4,830	**2,785**	2,080
Cash and cash equivalents	19	**6,721**	1,918	**6,628**	1,189
		15,269	7,823	**9,413**	3,269
Total Assets		**21,768**	24,899	**12,978**	31,829
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	20	**158,563**	152,854	**158,563**	152,854
Other reserves	21	**2,830**	1,072	**2,447**	1,327
Accumulated losses		**(152,857)**	(137,798)	**(152,472)**	(123,216)
Total Equity		**8,536**	16,128	**8,538**	30,965
LIABILITIES					
Non-Current Liabilities					
Loans and borrowings	22	**–**	60	**–**	–
Trade and other payables	23	**164**	–	**–**	–
		164	60	**–**	–
Current Liabilities					
Loans and borrowings	22	**2,600**	2,628	**2,600**	–
Trade and other payables	23	**10,468**	6,081	**1,840**	864
Current tax liabilities		**–**	2	**–**	–
		13,068	8,711	**4,440**	864
Total Liabilities		**13,232**	8,771	**4,440**	864
Total Equity and Liabilities		**21,768**	24,899	**12,978**	31,829

The accompanying notes form an integral part of these financial statements

Consolidated Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

	Share capital S$'000	Translation reserve S$'000	Hedging reserve S$'000	Share option reserve S$'000	Warrants reserve S$'000	Accumulated losses S$'000	Total equity S$'000
Group							
2012							
At 1 July 2011	**152,854**	**(171)**	**(84)**	**1,327**	**–**	**(137,798)**	**16,128**
Total comprehensive loss for the year	**–**	**–**	**–**	**–**	**–**	**(16,386)**	**(16,386)**
Other comprehensive income							
Hedging reserve, reclassified to profit or loss	**–**	**–**	**84**	**–**	**–**	**–**	**84**
Foreign currency translation differences for foreign operations	**–**	**554**	**–**	**–**	**–**	**–**	**554**
	–	**554**	**84**	**–**	**–**	**(16,386)**	**(15,748)**
Issue of shares under share rights	**5,791**	**–**	**–**	**–**	**–**	**–**	**5,791**
Share issue expenses	**(82)**	**–**	**–**	**–**	**–**	**–**	**(82)**
Issue of warrants	**–**	**–**	**–**	**–**	**2,482**	**–**	**2,482**
Warrant issue expenses	**–**	**–**	**–**	**–**	**(35)**	**–**	**(35)**
Expired and forfeiture of share options (Note 21)	**–**	**–**	**–**	**(1,327)**	**–**	**1,327**	**–**
At 30 June 2012	**158,563**	**383**	**–**	**–**	**2,447**	**(152,857)**	**8,536**

	Share capital S$'000	Translation reserve S$'000	Hedging reserve S$'000	Share option reserve S$'000	Accumulated losses S$'000	Total equity S$'000
2011						
At 1 July 2010	152,854	2,103	(160)	1,327	(131,909)	24,215
Total comprehensive loss for the year	–	–	–	–	(5,889)	(5,889)
Other comprehensive income/(loss)						
Change in fair value of cash flow hedge	–	–	76	–	–	76
Foreign currency translation differences for foreign operations	–	(1,597)	–	–	–	(1,597)
Foreign currency translation differences for discontinued operations	–	(677)	–	–	–	(677)
	–	(2,274)	76	–	(5,889)	(8,087)
At 30 June 2011	152,854	(171)	(84)	1,327	(137,798)	16,128

The accompanying notes form an integral part of these financial statements

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

	Group	
	2012	2011
	S$'000	S$'000
Cash Flows from Operating Activities		
Loss for the year	**(16,386)**	(5,889)
Adjustments for:		
Gain on disposal of property, plant and equipment	**(2)**	(2)
Gain on disposal of discontinued operations	**–**	(1,576)
Impairment of intangible asset	**9,086**	–
Provision for disposal of waste material	**–**	656
Write off of property, plant and equipment	**29**	–
Reversal of impairment loss on receivables	**(30)**	(502)
Allowance for impairment loss on receivables	**40**	–
Depreciation of property, plant and equipment	**688**	718
Liability waived arising from settlement with creditors	**–**	(650)
Interest expense	**476**	292
Income tax expense/(benefit)	**1,671**	(73)
Unrealised loss on investments in futures contracts	**43**	–
Unrealised foreign exchange loss	**285**	421
Operating cash flows before changes in working capital	**(4,100)**	(6,605)
Working capital changes:		
Trade and other receivables	**(3,212)**	(291)
Inventories	**337**	(12)
Cash encumbered	**(19)**	–
Trade and other payables	**4,157**	(2,056)
Cash used in operating activities	**(2,837)**	(8,964)
Interest paid	**(208)**	(292)
Income tax refund	**–**	73
Net cash used in operating activities	**(3,045)**	(9,183)
Cash Flows from Investing Activities		
Net proceeds from disposal of China operation	**–**	10,674
Purchase of property, plant and equipment	**(382)**	(465)
Proceeds from sale of property, plant and equipment	**34**	2
Net cash (used in)/generated from investing activities	**(348)**	10,211

The accompanying notes form an integral part of these financial statements

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

	Group	
	2012	2011
	S$'000	S$'000
Cash Flows from Financing Activities		
Proceeds from loan from shareholders	**3,000**	–
Repayment of loan from shareholders	**(400)**	–
Proceeds from borrowings	**–**	6,385
Repayment of borrowings	**(2,688)**	(5,820)
Payment of deferred payment creditor	**–**	(65)
Proceeds from issuance of share rights	**5,791**	–
Issuance of warrants	**2,482**	–
Net cash generated from financing activities	**8,185**	500
Net increase in cash and cash equivalents	**4,792**	1,528
Effect of exchange rate changes on balances held in foreign currencies	**11**	46
Cash and cash equivalents at the beginning of the financial year	**1,918**	344
Cash and cash equivalents at the end of the financial year (Note 19)	**6,721**	1,918

The accompanying notes form an integral part of these financial statements

Notes to the Financial Statements

30 JUNE 2012

These notes form integral part of and should be read in conjunction with the accompanying financial statements.

1 CORPORATE INFORMATION

Metech International Limited (formerly known as Centillion Environment & Recycling Limited) is incorporated in the Republic of Singapore with its principal place of business and registered office at 65 Tech Park Crescent Singapore 637781. The Company is listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are primarily the provision of a one-stop recycling and processing service centre for the electronics industry and the trading of plastics and non-precious metal materials.

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the Group).

The consolidated financial statements were authorised for issue by the Board of Directors on the date of the statement by Directors.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Going Concern

The financial statements of the Group have been prepared on a going concern basis notwithstanding the loss for the year ended 30 June 2012 of S$16,386,000 (2011: losses S$ 5,889,000) and negative operating cash flows of S$3,045,000 (2011: negative operating cash flows of S$9,183,000).

During the year the Group raised S$8,156,000 by way of share rights and warrants issue. In addition management is of the view that the Group and Company will be able to generate sufficient positive cash flows from operations for at least the next twelve months.

In the event the Group and the Company were unable to continue as a going concern, the Group and Company may be unable to realise their assets and discharge their liabilities in the normal course of business.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Basis of Preparation

The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act Cap. 50 (the "Act") and Singapore Financial Reporting Standards ("FRSs"). These financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from these estimates. Critical accounting estimates and assumptions used that are significant to the financial statements and areas involving a higher degree of judgement or complexity, are disclosed in Note 3 Critical accounting estimates, assumptions and judgments.

Adoption of New/Revised FRS

(i) New or revised FRS effective in the current year

For the financial year ended 30 June 2012, the Group have adopted the following new/revised FRSs which are relevant to the Group and the Company and are mandatory for application:

Amendments to FRS 1	Presentation of Financial Statements
Amendments to FRS 107	Financial Instruments: Disclosures
FRS 24 (revised)	Related Party Disclosures

Amendments to FRS 1 – Presentation of Financial Statements

The Group adopted Amendments to FRS 1 *Presentation of Financial Statements*, which is effective for annual periods beginning on or after 1 January 2011. It clarifies that the analysis of the components of other comprehensive income by item can be presented either in the statement of changes in equity or within the notes to the financial statements. The Group has presented the analysis of the components of other comprehensive income by item in the consolidated statement of changes in equity. As this is a disclosure standard, it has no impact on the financial position and financial performance of the Group.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Basis of Preparation (cont'd)

Adoption of New/Revised FRS (cont'd)

(i) ***New or revised FRS effective in the current year*** (cont'd)

Amendments to FRS 107 – Financial Instruments: Disclosures

Key amendments include removal of the requirement to disclose the carrying amount of renegotiated financial assets that would be past due or impaired if not for the renegotiation. Clarification that disclosure of the amount that best represents the maximum exposure to credit risk is not required when this amount is represented by the carrying amount of the financial instrument and the requirement to disclose fair value of collateral and other credit enhancements is replaced with a description to disclose the financial effect of collateral and other credit enhancements. As this is a disclosure standard, it has no impact on the financial position or financial performance of the Group.

FRS 24 – Related Party Disclosures (Revised)

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 close 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. The revised FRS 24 applies retrospectively for annual periods beginning on or after 1 January 2011 but early application is permitted. As this is a disclosure standard, it has no impact on the financial position or financial performance of the Group.

(ii) ***New or revised FRS issued but effective after the financial year ended 30 June 2012***

At the date of authorisation of these financial statements, the Group and the Company have not applied the following new or revised FRS that have been issued and which are relevant to the Group and the Company but will only be effective for annual periods beginning 1 July 2012 onwards. The Group and the Company anticipate that these changes will have no material effect on the financial statements upon adoption.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Basis of Preparation (cont'd)

Adoption of New/Revised FRS (cont'd)

(ii) *New or revised FRS issued but effective after the financial year ended 30 June 2012* (cont'd)

The relevant new and revised FRS are as follows:

Amendments to FRS 1	Presentation of Items of Other Comprehensive Income
FRS 27 (revised)	Separate Financial Statements
FRS 110	Consolidated Financial Statements
FRS 113	Fair Value Measurement

Amendment to FRS 1 – Presentation of Items of Other Comprehensive Income

The amendment to FRS 1 Presentation of Items of Other Comprehensive Income requires entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss. It is effective for annual periods beginning on or after 1 January 2013. As this is a disclosure standard, it will not have any impact on the financial performance or the financial position of the Group and Company when implemented.

FRS 27 (Revised) – Separate Financial Statements

FRS 27 (Revised) Separate Financial Statements will now solely address separate financial statements, the requirements for which are substantially unchanged. It is effective for annual periods beginning on or after 1 January 2014 and will not have an impact on the financial performance or financial position of the Group when implemented.

FRS 110 – Consolidated Financial Statements

FRS 110 *Consolidated Financial Statements* supersedes FRS 27 *Consolidated and Separate Financial Statements* and INT FRS 12 *Consolidation – Special Purpose Entities*, which is effective for annual periods beginning on or after 1 January 2014. It changes the definition of control and applies it to all investees to determine the scope of consolidation. FRS 110 requirements will apply to all types of potential subsidiary. FRS 110 requires an investor to reassess the decision whether to consolidate an investee when events indicate that there may be a change to one of the three elements of control, i.e. power, variable returns and the ability to use power to affect returns. The Group has reassessed which entities the Group controls and expects no change.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Basis of Preparation (cont'd)

Adoption of New/Revised FRS (cont'd)

(ii) New or revised FRS issued but effective after the financial year ended 30 June 2012 (cont'd)

FRS 113 – Fair Value Measurement

FRS 113 *Fair Value Measurement* provides guidance on how to measure fair values including those for both financial and non-financial items and introduces significantly enhanced disclosures about fair values. It does not address or change the requirements on when fair values should be used. When measuring fair value, an entity is required to use valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. It requires disclosure of the fair value hierarchy for all assets and liabilities measured at fair value. This FRS is effective for annual periods beginning on or after 1 January 2013. The Group will determine the impact of this standard when it becomes effective.

(c) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in equity. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the balance sheet. The accounting policy for goodwill is set out in Note 2(g). Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition. All acquisition related costs are expensed off.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Basis of Consolidation (cont'd)

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

(d) Transactions with Non-Controlling Interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated balance sheets, separately from equity attributable to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

(e) Foreign Currency

(i) Functional and presentation currency

The financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to each entity (the "functional currency"). The financial statements are presented in Singapore dollar ("SGD" or "S$"), which is the functional and presentation currency of the Company and all values are rounded to the nearest thousand (S$'000) except when otherwise indicated.

(ii) Transactions and balances

In preparing the financial statements of the individual entities, transactions in a currency other than the entity's functional currency ("foreign currency") are translated using the exchange rates prevailing at the dates of such transactions. Currency translation gains and losses resulting from settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Foreign Currency (cont'd)

(iii) Translation of Group entities' financial statements

The results and financial position of Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is disposed of, such exchange differences are taken to profit or loss as part of the gain or loss on disposal.

(f) Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful life of the asset as follows:

	Years
Leasehold properties	30 to 53.5 years
Plant and equipment	5 to 10 years
Furniture and fixtures	5 years

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Property, Plant and Equipment (cont'd)

The residual value, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Subsequent expenditure related to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

Plant under construction is not depreciated as these assets are not available for use. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

(g) Intangible Assets

Goodwill

Goodwill acquired in a business combination is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events and circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired is allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Impairment of Non-Financial Assets

(i) Goodwill

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Goodwill included in the carrying amount of an investment in an associate is tested for impairment as part of the investment, rather than separately.

For the purpose of impairment testing of goodwill, goodwill is allocated, from the acquisition date, to each of the Group's cash-generating-units ("CGU") that are expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

(ii) Property, plant and equipment and investments in subsidiaries

Property, plant and equipment and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment and investments in subsidiaries to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any), on an individual asset.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Impairment of Non-Financial Assets (cont'd)

(ii) Property, plant and equipment and investments in subsidiaries (cont'd)

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also credited to profit or loss.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

(j) Financial Assets

Financial assets are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised in other comprehensive income is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables including trade and other receivables, and cash and cash equivalents. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Impairment of Financial Assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(l) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined on a weighted average cost basis and comprises all costs of purchase and other related charges incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price at which the inventories can be realised in the normal course of business after allowing for obsolete, slow-moving and defective inventories.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, fixed deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

(n) Financial Liabilities

Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for derivatives, which are measured at fair value.

For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised or impaired, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(o) Financial Instruments and Hedge Accounting

Derivative financial instruments are used to manage exposures to commodity price risks arising from operational activities.

Derivative financial instruments are recognised initially at cost and are subsequently re-measured at fair value. The changes in the fair value of the derivative are recognised immediately in the income statement unless the derivative qualifies for hedge accounting where the recognition of any changes in the fair value depends on the nature of the item being hedged.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) Financial Instruments and Hedge Accounting (cont'd)

When a derivative is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective portion is recognised in other comprehensive income. When the forecast transaction subsequently results in a recognition of a non-financial asset or non-financial liability, or the forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which the fair value hedge accounting is applied, the associated cumulative gain or loss previously recognised in other comprehensive income is transferred to the carrying amount of the non-financial asset or non-financial liability. For other cash flow hedges, the associated cumulative gain or loss previously recognised in other comprehensive income is transferred to the income statement in the same period or periods during which the hedged forecast transaction affects the income statement. The ineffective portion of any changes in the fair value of the derivative is recognised immediately in profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss previously recognised in other comprehensive income remains there and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative gain or loss previously recognised in other comprehensive income is transferred to profit or loss.

(p) Financial Guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantees are measured initially at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of the obligation under the contract, as determined in accordance with FRS 37 Provisions, Contingent Liabilities and Contingent Assets; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's balance sheet.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(p) Financial Guarantees (cont'd)

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiaries' borrowings, unless it is probable that the Company will reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the bank in the Company's balance sheet.

Intra-group transactions with regards to the financial guarantee are eliminated on consolidation.

(q) Borrowing Costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are ready for their intended use or sale.

(r) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(s) Employee Benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contribution to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contribution to national pension schemes are recognised as an expense in the period in which the related service is performed.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(s) Employee Benefits (cont'd)

Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to balance sheet date.

Employee share option plans

Employees of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for share options (equity-settled transactions).

The cost of equity settled transactions with employees is measured by reference to the fair value at the date on which the share options are granted. In valuing the share options, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company (market conditions), if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in the employee share option reserve, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting date). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

For share-based options granted to employees of subsidiaries where the subsidiaries have no obligation to repay, the fair value of the option granted is recognised as an increase in the Company's investment in subsidiaries with a corresponding increase in equity over the vesting period.

Where the vesting conditions of a share-based compensation plan is not met, it shall be considered as forfeiture. The expense shall be revised to reflect the best available estimate of the number of equity instruments expected to vest.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(t) Discontinued Operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is re-presented as if the operation had been discontinued from the start of the comparative period.

(u) Leases

(i) As lessee

Leases of office premises and factory where substantially all the risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Contingent rents are recognised as an expense in profit or loss when incurred.

(ii) As lessor

Leases of office building units where the Group retains substantially all the risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(v) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(i) Sales of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods. Revenue is recognised net of sales commission, material claims, discounts and returns.

(ii) Rendering of services

Revenue from testing services is recognised by reference to the stage of completion at the balance sheet date. Stage of completion is determined by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the contract outcome cannot be measured reliably, revenue is recognised to the extent of the expenses recognised that are recoverable.

(iii) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

(iv) Commission income

Commission income is recognised when the Group's right to receive payment is established.

(v) Rental income

Rental income arising on investment properties is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(w) Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(w) Income Taxes (cont'd)

(ii) Deferred tax (cont'd)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in the accounting for the business combination.

(iii) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2 SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(x) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

(y) Share Capital and Share Issue Expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

(z) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

(aa) Related Parties

A party is considered to be related to the Group if:

(i) the party directly, or indirectly through one or more intermediaries:

- controls, is controlled by, or is under common control with, the Group;
- has an interest in the entity that gives it significant influence over the Group; or
- has joint control over the Group;

(ii) the party is an associate;

(iii) the party is a member of the key management personnel of the entity or its parent;

(iv) the party is a close member of the family of any individual referred to in (i) or (v);

(v) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iii) or (iv); or

(vi) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

In addition to Note 2(b) to the financial statements, the Group makes estimates, assumptions and judgments concerning the future. These affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses and disclosures made. These estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual results may ultimately differ from these estimates.

(a) Critical judgments in applying accounting policies

The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

Impairment of trade and other receivables

Management reviews trade and other receivables for objective evidence of impairment on a periodic basis. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management make judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant adverse changes in the technology, market, economic or legal environment in which the debtor operates. Where there is objective evidence of impairment, management judge whether an impairment loss should be recorded against the receivable.

During the financial year, the Group recognised a net allowance for impairment loss on trade and other receivables of S$40,000 (2011: S$ Nil) (see Note 28). In addition, certain receivables which were assessed to be non-recoverable in the prior year amounting to S$30,000 (2011: S$502,000) (Note 28) were recovered hence allowance for impairment loss were reversed during the financial year. The carrying amount of the Group's allowance for impairment of trade and other receivables as at 30 June 2012 was S$5,781,000 (2011: S$5,583,000) (Note 28) and the carrying amount of the Group's trade and other receivables was S$7,132,000 (2011: S$4,496,000) (Note 28).

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (cont'd)

(b) Key sources of estimation uncertainty (cont'd)

Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over their useful lives. Management estimates the useful lives of property, plant and equipment to be within 5 to 50 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Group's property, plant and equipment at 30 June 2012 was S$5,939,000 (2011: S$6,066,000). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. If depreciation on property, plant and equipment increases/decreases by 10% from management's estimate, the Group's loss for the year will decrease/increase by approximately S$69,000 (2011: S$56,000).

Impairment of goodwill arising from acquisition of subsidiaries

Goodwill arising from acquisition of subsidiaries is tested for impairment annually and whenever there is an indication that the goodwill may be impaired. The recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of estimates and assumptions. Changes to the estimates and assumptions could result in changes in the carrying amount of the goodwill. An impairment charge of S$ 9,086,000 arose in the financial year ended 30 June 2012 (2011: S$ Nil) which reduce the carrying amount of goodwill to S$ Nil (2011: S$ 8,780,000). Details of the impairment loss calculation are set out in Note 15 to the financial statements.

Impairment of investment in subsidiaries

Impairment of investment of subsidiary is tested for impairment annually and whenever there is an indication that the investment may be impaired. Consequently, an impairment of S$19,983,000 (2011: S$Nil) was recognised in the financial year. The impairment was recorded due to consecutive recorded losses in the subsidiaries. The carrying amounts of the Company's investments in subsidiaries was S$Nil (2011: S$17,815,000).

Income taxes

The Group has exposures to income taxes in numerous jurisdictions. In determining the income tax liabilities, management is required to estimate the amount of capital allowances and the deductibility of certain expenses at each tax jurisdiction. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (cont'd)

(b) Key sources of estimation uncertainty (cont'd)

Income taxes (cont'd)

The Group has recognised an income tax expense of S$1,671,000 (2011: income tax benefit of S$73,000) for the financial year ended 30 June 2012. The carrying amounts of the Group's current income tax liabilities and deferred tax liabilities as at 30 June 2012 were S$ Nil (2011: S$2,000) and S$ Nil (2011: deferred tax assets S$1,689,000) respectively.

4 REVENUE

	Group	
	2012	2011
	S$'000	S$'000
Sale of goods	**24,015**	21,304
Rendering of services	**5,603**	62
	29,618	21,366

5 OTHER INCOME

	Group	
	2012	2011
	S$'000	S$'000
Reversal of impairment loss on receivables	**30**	502
Gain on disposal of property, plant and equipment	**2**	2
Rental income	**883**	–
Gain on future option	**12**	–
Sundry income	**–**	131
	927	635

6 OTHER EXPENSES

	Group 2012 S$'000	2011 S$'000
Loss on foreign exchange	**321**	1,136
Impairment loss on intangible asset	**9,086**	–
Unrealised loss on investments in futures contracts	**43**	–
Others	**49**	–
	9,499	1,136

7 FINANCE COSTS

	Group 2012 S$'000	2011 S$'000
Interest expense on borrowings	**412**	267
Other finance cost	**64**	25
	476	292

8 LOSS BEFORE INCOME TAX

	Group 2012 S$'000	2011 S$'000
In addition to the disclosures made elsewhere, this is arrived at after charging:		
Operating lease expense	**3,067**	3,162
Depreciation of property, plant and equipment	**688**	718
Write off of property, plant and equipment	**29**	–
Allowance for Impairment loss on receivables	**40**	–
Directors' remuneration – Directors of the Company	**240**	510
Directors' fees paid – Directors of the Company	**100**	173
Fees on audit services payable/paid to:		
– Auditors of the Company	**123**	329
– Other auditors	**146**	158

There were no non-audit fees paid/payable to the Company's auditors during the financial year ended 30 June 2012 (2011: S$ Nil).

9 INCOME TAX

	Group	
	2012	2011
	S$'000	S$'000
Continuing operations:		
Current income tax	**(77)**	(73)
Deferred income tax (Note 16)	**1,748**	–
	1,671	(73)

The tax benefit for the year can be reconciled to the accounting profit as follows:

	Group	
	2012	2011
	S$'000	S$'000
Loss before income tax:		
Continuing operations	**(14,715)**	(6,150)
Discontinued operations (Note 10)	**–**	188
	(14,715)	(5,962)
Income tax benefit calculated at 17%	**(2,501)**	(1,014)
Effect of different tax rates in other countries	**(542)**	(493)
Income not subject to tax	**(103)**	(97)
Expenses/losses not deductible for tax purposes	**2,005**	277
Deferred tax benefits not recognised	**2,812**	1,491
Utilisation of tax benefits previously not recognised	**–**	(237)
	1,671	(73)

The temporary difference where no deferred tax assets were recognised is disclosed in Note 16 to the financial statements.

10 DISCONTINUED OPERATIONS

In 2010, after considering all aspects relating to the commercial viability of its China operation and better utilisation of the Group resources, the Group had decided to exit from China. All assets and liabilities relating to its China operation have been classified as a disposal group held for sale and its results disclosed separately as discontinued operation in the statement of comprehensive income for the year ended 30 June 2010. Consequently, the Group had reviewed the relevant assets of the disposal group and recognised a loss of S$9.5 million arising from stating the disposal group at the estimate of fair value less costs to sell. This change in fair value had been included as part of loss from discontinued operation for the year ended 30 June 2010. The China operation was sold in April 2011.

In April 2011, the Group also sold its process equipment assets, relating exclusively to the precious metal recovery business in Singapore. The precious metal recovery business was not a discontinued operation or classified as held for sale as of 30 June 2010.

		Group	
	Note	**2012**	2011
		S$'000	S$'000
Results of discontinued operations			
Revenue		**–**	3,617
Expenses		**–**	(5,005)
Results from operating activities		**–**	(1,388)
Income tax		**–**	–
Results from operating activities, net of income tax		**–**	(1,388)
Gain on sale of discontinued operations		**–**	1,576
Profit for the year		**–**	188
Basic earnings per share (cents)	11	**–**	0.002
Diluted earnings per share (cents)	11	**–**	0.002*

** Dilutive effect is immaterial*

10 DISCONTINUED OPERATIONS (cont'd)

The profit from discontinued operation of S$188,000 for the year ended 30 June 2011 is attributable entirely to the owners of the Company. The loss from continuing operations of S$16,386,000 (2011: S$6,077,000), is also entirely attributable to the owners of the Company.

	Group	
	2012	2011
	S$'000	S$'000
Cash flows from discontinued operations		
Net cash from operating activities	**–**	(3,046)
Net cash from investing activities	**–**	11,745
Net cash from financing activities	**–**	1,975
Net cash from discontinued operations	**–**	10,674

Effect of disposal on the financial position of the Group:

	2011
	S$'000
Property, plant and equipment	11,299
Land use rights	2,340
Inventories	9
Trade and other receivables	250
Cash and cash equivalent	4
Borrowings	(4,800)
Net assets and liabilities	9,102
Cash received, satisfied in cash	10,678
Cash and cash equivalents disposed of	(4)
Net cash inflow	10,674

11 LOSS PER SHARE

From continuing and discontinued operations

Basic loss per share is calculated by dividing the net loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group		
	Continuing	**Discontinued**	**Total**
2012			
Loss attributable to owners of the Company (S$'000)	**(16,386)**	**–**	**(16,386)**
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	**7,543,585**	**–**	**7,543,585**
Basic and diluted loss per share (S$ cents per share)	**(0.217)**	**–**	**(0.217)**
	Continuing	Discontinued	Total
2011			
(Loss)/Profit attributable to owners of the Company (S$'000)	(6,077)	188	(5,889)
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	8,273,463	8,273,463	8,273,463
Basic and diluted (loss)/earnings per share (S$ cents per share)	(0.073)	0.002	(0.071)

The Company has no dilutive potential ordinary shares as at 30 June 2012 and 2011.

12 PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties S$'000	Plant and equipment S$'000	Furniture and fixtures S$'000	Plant under construction S$'000	Total S$'000
Group					
Cost					
At 1 July 2010	5,861	9,126	415	524	15,926
Translation differences on consolidation	(714)	(275)	(25)	(127)	(1,141)
Additions	6	384	91	161	642
Disposals	–	(5,532)	(123)	–	(5,655)
Transfers	26	–	61	(87)	–
At 30 June 2011	5,179	3,703	419	471	9,772
Translation differences on consolidation	181	50	1	34	266
Additions	–	269	55	58	382
Disposals	–	(16)	(18)	–	(34)
Written off	–	(82)	(27)	–	(109)
Transfers	–	538	–	(538)	–
At 30 June 2012	5,360	4,462	430	25	10,277
Accumulated depreciation					
At 1 July 2010	556	7,596	365	–	8,517
Translation differences on consolidation	(78)	(160)	(17)	–	(255)
Depreciation for the year	204	482	32	–	718
Disposals	–	(5,151)	(123)	–	(5,274)
At 30 June 2011	682	2,767	257	–	3,706
Translation differences on consolidation	13	11	2	–	26
Depreciation for the year	131	500	57	–	688
Disposals	–	(2)	–	–	(2)
Written off	–	(65)	(15)	–	(80)
At 30 June 2012	826	3,211	301	–	4,338
Net book value					
At 30 June 2012	4,534	1,251	129	25	5,939
At 30 June 2011	4,497	936	162	471	6,066

12 PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Plant and equipment S$'000	Furniture and fixtures S$'000	Total S$'000
Company			
Cost			
At 1 July 2010	1,342	40	1,382
Additions	–	27	27
Disposals	–	(4)	(4)
At 30 June 2011	1,342	63	1,405
Additions	1	–	1
Written off	(82)	(27)	(109)
At 30 June 2012	1,261	36	1,297
Accumulated depreciation			
At 1 July 2010	1,292	31	1,323
Depreciation for the year	18	4	22
Disposals	–	(4)	(4)
At 30 June 2011	1,310	31	1,341
Depreciation for the year	15	18	33
Written off	(66)	(14)	(80)
At 30 June 2012	1,259	35	1,294
Net book value			
At 30 June 2012	2	1	3
At 30 June 2011	32	32	64

The following property, plant and equipment of the Group were pledged as security under a mortgage note, promissory note, line of credit or term loan (Note 22).

	Group	
	2012 **S$'000**	2011 S$'000
Leasehold properties	**–**	4,497
Plant and equipment	**–**	1,342
	–	5,839

13 SUBSIDIARIES

	Company	
	2012	2011
	S$'000	S$'000
Equity investments, at cost	**35,164**	35,164
Loans	**19,967**	17,799
	55,131	52,963
Impairment losses on		
– equity investments	**(35,164)**	(35,148)
– loan investments	**(19,967)**	–
	–	17,815
Impairment losses		
At the beginning of the financial year	**35,148**	59,669
Utilisation	**–**	(24,521)
Addition	**–**	–
– equity investments*	**16**	–
– loan investments**	**19,967**	–
At the end of the financial year	**55,131**	35,148

* Management performed an impairment test for the investment of S$16,000 (2010: S$16,000) in Centillion Environment & Recycling CZ, s.r.o., and as a result, the investment was fully impaired for the financial year ended 30 June 2012 due to recorded consecutive losses in current financial year.

** The loans to subsidiaries of S$19,967,000 (2011: S$17,799,000) as at the financial year ended 30 June 2012 are unsecured and non-interest bearing. The settlement of the loans was neither planned nor likely to occur in the foreseeable future. As these amounts were, in substance, a part of the Company's net investment in the subsidiary, they were stated at cost less impairment losses. The amount of S$19,967,000 was impaired fully for the financial year ended 30 June 2012.

The investments in subsidiaries have been fully impaired as at financial year ended 30 June 2012 due to recorded consecutive losses in current financial year.

13 SUBSIDIARIES (cont'd)

Details of subsidiaries are as follows:

Name of Company/ country of incorporation	Principal activities	Proportion of ownership interest 2012 %	2011 %
Held by the Company			
Metech Recycling (Singapore) Pte. Ltd. (formerly known as Centillion Environment & Recycling (Singapore) Pte. Ltd.)[(1)] Singapore	Provision of a one-stop recycling and processing service centre for the electronics industry and the trading of plastics and non-precious metal materials	**100**	100
Metech International (Europe) Pte. Ltd[(4)] (formerly known as Metech Recycling UK Pte. Ltd.)[(1)] Singapore	Investment holding and those relating to the business of refining and recycling metals, used components of computers and peripherals	**100**	100
Metech Recycling (USA) Pte. Ltd. (formerly known as Centillion Investment USA Pte. Ltd.) [(1)] Singapore	Investment holding and those relating to the business of refining and recycling metals, used components of computers and peripherals	**100**	100
Centillion Environment & Recycling CZ s.r.o.[(2)] Czech Republic	Reprocessing used IT equipment and recovering precious metal content from the components.	**100**	100
Held by Metech International (Europe) Pte. Ltd.[(4)]			
Metech Recycling (UK) Ltd (formerly known as Centillion Environment & Recycling UK Limited)[(2)] United Kingdom	Reprocessing used IT equipment and recovering precious metal content from the components.	**100**	100

13 SUBSIDIARIES (cont'd)

Name of Company/ country of incorporation	Principal activities	Proportion of ownership interest	
		2012	2011
		%	%
Held by Metech Recycling (USA) Pte. Ltd.			
Metech Recycling, Inc.[3] United States of America	Comprehensive end-of-life electronic equipment recycling of precious and non-precious metal scrap and other recyclable materials for subsequent reclamation	**100**	100

(1) Audited by Moore Stephens LLP Singapore

(2) Audited by member firms of Moore Stephens International Limited in the respective countries

(3) Audited by Fiondella, Milone & Lasaracina LLP, Connecticut, USA

(4) w.e.f 16 July 2012, the company has change its name from Metech Recycling (UK) Pte Ltd

14 RESTRICTED CASH HELD IN TRUST

	Group		Company	
	2012	2011	**2012**	2011
	S$'000	S$'000	**S$'000**	S$'000
Non-current				
Cash held in trust for closure costs	**560**	541	**–**	–

As a licensed TSD (Treatment, Storage, and Disposal of hazardous waste) facility in the State of California, the subsidiary, Metech Recycling Inc ("MRI") is required to maintain a certain amount of funds in trust to cover potential environmental closeout costs of MRI facility in California. The Trust Fund Agreement with the State of California Department of Toxic Substance Control provides assurance that funds will be available when needed for closure and/or post closure care of the facility. These funds are held in a separate trust account and are not available for routine operating expenses.

The restricted cash held in trust has been reclassified as non current asset due to additional obligations imposed and anticipated delay in its final release arising from changes in applicable regulations.

15 INTANGIBLE ASSET

	Group	
	2012	2011
	S$'000	S$'000
Goodwill arising on consolidation	**19,289**	19,289
Impairment losses	**(17,720)**	(8,634)
Effect of movement in exchange rates	**(1,569)**	(1,875)
	–	8,780

Impairment test for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the related cash generating units (CGU) identified. As at 30 June 2012, the goodwill is mainly allocated to the Group's operations in the United States of America.

The recoverable amount of the CGU was determined based on value-in-use calculations. The key assumptions for the value-in-use calculations were discount rates, growth rates and expected changes to selling prices and direct costs. Management estimated discount rates to reflect risks specific to the CGU. The growth rates used were based on industry growth forecasts and took into account the strategic direction of the CGU. Changes in selling prices and direct costs were based on past practices and expectations of future changes in the market.

At the end of the reporting period, the Group has assessed the recoverable amount of goodwill and determined that the entire goodwill allocated to the Group's operations in the United States of America is fully impaired as at 30 June 2012. The additional impairment loss on goodwill as at 30 June 2012 amounted to S$9,086,000 (2011: S$ Nil). The impairment loss has been included in the "other expenses" line item in the consolidated statement of comprehensive income.

16 DEFERRED TAX ASSETS

	Property, plant and equipment S$'000	Tax benefits arising from tax-deductible goodwill S$'000	Other Items S$'000	Total S$'000
Group				
At 1 July 2010	27	1,359	537	1,923
Exchange differences	(4)	(165)	(65)	(234)
At 30 June 2011	23	1,194	472	1,689
Exchange differences	1	42	16	59
Written off (Note 9)	(24)	(1,236)	(488)	(1,748)
At 30 June 2012	–	–	–	–

Tax benefits arising from tax-deductible goodwill relate to tax benefits arising on goodwill from the acquisition of Computer & Electronics Recycling, LLC. (GRX) during the financial year ended 30 June 2009. The goodwill is to be amortised over 15 years in accordance with relevant tax laws in the USA. During the current financial year, the Group derecognised the deferred tax assets relating to this goodwill in accordance with the relevant tax laws in the USA.

At balance sheet date, the following temporary differences have not been recognised:

	Group		Company	
	2012	2011	**2012**	2011
	S$'000	S$'000	**S$'000**	S$'000
Tax losses	**35,396**	18,855	**–**	–

Deferred tax assets have not been recognised in respect of certain tax losses because it is not probable that future taxable profits will be available against which the Group can utilise these tax benefits. The tax losses are subject to agreement with the relevant tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate.

17 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2012	2011	**2012**	2011
	S$'000	S$'000	**S$'000**	S$'000
Non-current				
Amounts due from subsidiaries (non-trade)	**–**	–	**36,165**	34,251
Current				
Trade receivables	**7,752**	7,900	**667**	1,161
Amount due from subsidiaries (non-trade)	**–**	–	**–**	607
Other receivables	**3,708**	1,202	**1,961**	116
Future deposit margin account	**416**	–	**–**	–
Deposits	**1,037**	977	**871**	857
Loans and receivables	**12,913**	10,079	**39,664**	36,992
Allowance for impairment losses	**(5,781)**	(5,583)	**(33,348)**	(24,315)
	7,132	4,496	**6,316**	12,677
Prepayments	**678**	334	**31**	84
	7,810	4,830	**6,347**	12,761
Less: Current portion	**(7,810)**	(4,830)	**(2,785)**	(2,080)
Non-current portion	**–**	–	**3,562**	10,681

As at 30 June 2012, except for an interest-bearing amount due from a subsidiary of the Company of S$11,859,000 (2011: S$8,495,000), the amounts due from subsidiaries are unsecured, non-interest bearing and repayable on demand.

The interest-bearing amounts due from subsidiaries are unsecured, repayable on demand and bears interest ranging from 3% to 7.38% per annum (2011: 3.75% to 7.38% per annum). Interest rate reprices annually, for USD loan based on the United States of America bank prime rate plus 0.5% and SGD loan based on the Singapore bank prime rate plus 2%. During the financial year ended 30 June 2012, management reassessed the repayment terms of the amount due from the subsidiary and determined that the amount is not likely to be repaid within the next 12 months. Accordingly, the amount due from the subsidiary of S$3,562,000 (2011: S$10,681,000) (including interest receivables S$1,168,000 (2011: S$302,000) has been classified as non-current.

As at balance sheet date, S$ Nil (2011: S$1,774,000) of receivables of the Group has been pledged as security under credit facilities with a bank (Note 22).

18 INVENTORIES

	Group	
	2012	2011
	S$'000	S$'000
Raw materials	**4**	59
Semi-finished goods	**734**	1,016
	738	1,075

During the financial year, raw materials and semi-finished goods recognised in cost of sales amounted to S$6,288,000 (2011: S$3,163,000).

As at 30 June 2011, S$1,012,000 of inventories of the Group had been pledged as security under credit facilities from a bank (Note 22).

19 CASH AND CASH EQUIVALENTS

	Group		Company	
	2012	2011	**2012**	2011
	S$'000	S$'000	**S$'000**	S$'000
Cash at bank and in hand	**6,721**	1,918	**6,628**	1,189

20 SHARE CAPITAL

	Group and Company			
	2012		2011	
	No. of shares '000	**Amount S$'000**	No. of shares '000	Amount S$'000
Issued and fully paid (no par value)				
At the beginning of the financial year	**8,273,463**	**152,854**	8,273,463	152,854
Share consolidation	**(7,446,117)**	**–**	–	–
Issue of shares under share rights	**827,346**	**5,791**	–	–
Share issue expenses	**–**	**(82)**	–	–
At the end of the financial year	**1,654,692**	**158,563**	8,273,463	152,854

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

20 SHARE CAPITAL (cont'd)

On 25 May 2012, the Share Consolidation was completed whereby every ten (10) existing shares registered in the name, or standing to the credit of the Securities Account of each Shareholder were consolidated into one (1) Consolidated Share. Accordingly, the issued share capital of the Company comprises 827,346,380 Consolidated Shares after the share consolidation.

Following the Share Consolidation, the Company has undertaken a Rights cum Warrants Issue. The Company has issued 827,346,380 ordinary shares with free warrant for every new share at an issue price of S$0.01. Each warrant will, subject to the terms and conditions of the Deed Poll, entitle its holder to subscribe for one ordinary share in the capital of the Company at an exercise of S$0.02 (the "exercise price") for each new ordinary share at any time during the period commencing 28 June 2012 and expiring on 27 June 2015. The proceeds of the share rights issued amounting to S$8,156,000, net of share issue expenses of S$117,000, was allocated to the shares issued and the warrants. The value allocated to the free warrants amounted to S$2,447,000, net of warrants issue expenses of S$35,000, which is based on the market price of the warrants on listing date. There was no exercise of warrants during the current financial year. As at 30 June 2012, the number of outstanding warrants amounted to 827,346,380.

In 2011, the Company had an employee share option scheme (Note 25) under which options to subscribe for the Company's ordinary shares were granted to directors and employees. During the current financial year, these employee share options previously granted were forfeited. As at 30 June 2012, no employee share options have been granted, exercised or outstanding to existing directors and employees of the Company.

21 OTHER RESERVES

(i) Translation reserve

The translation reserve comprises foreign currency differences arising from the translation of the financial statements of foreign operations.

(ii) Hedging reserve

As at 30 June 2011, the hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

During the current financial year, the hedging instrument was terminated. Accordingly, the cumulative net change in the fair value previously recognised in hedging reserve amounting to S$84,000 was recognised under profit or loss.

21 OTHER RESERVES (cont'd)

(iii) Share option reserve

As at 30 June 2011, the share option reserve represents the equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options.

During the current financial year, the share option reserve was written off due to the expiration and forfeiture of the granted employee share options (Note 25).

(iv) Warrants reserve

As at 30 June 2012, proceeds from the issuance of warrants, net of issue costs, are credited to warrants reserve. Warrants reserve is non-distributable and will be transferred to share capital upon the exercise of warrants. Balance of warrants reserve as at 30 June 2012 in relation to the unexercised warrants at the expiry of the warrants period will be transferred to accumulated profits.

22 LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's interest bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, see note 28.

	Group		Company	
	2012	2011	**2012**	2011
	S$'000	S$'000	**S$'000**	S$'000
Secured				
– Mortgage note	**–**	2,200	**–**	–
– Revolving term loans	**–**	312	**–**	–
– Promissory note	**–**	176	**–**	–
	–	2,688	**–**	–
Unsecured				
– Loan from shareholders	**2,600**	–	**2,600**	–
	2,600	2,688	**2,600**	–
Less: Current portion	**(2,600)**	(2,628)	**(2,600)**	–
Non-current portion	**–**	60	**–**	–

22 LOANS AND BORROWINGS (cont'd)

Terms and conditions of outstanding loans and borrowings are as follows:

Secured mortgage note, revolving lines of credit, and revolving term loans

These loans and notes, from a US bank, are generally secured by assets of Metech, to finance its working capital and purchases of property, plant and equipment.

Details of credit facilities and related assets pledged are set out below:

- ***Secured mortgage note***

  The mortgage note has a principal amount of US$2.9 million (S$4.2 million) and matures on 31 July 2018. The principal payments of US$9,600 plus interest are payable monthly. During the financial year, interest is calculated LIBOR plus 3% (2011: LIBOR plus 3%). At the same time, Metech had entered into an interest rate swap agreement with the lender, receiving LIBOR for fixed interest at 2.69% on a notional principle amount equivalent to outstanding principal amount owing under the mortgage, effective 18 March 2009 until maturity of the mortgage. Accordingly, the effective combined interest rate payable under the mortgage and interest rate swap agreement at 5.69% per annum during the financial year ended 30 June 2012 (2011: 5.69% per annum). The note is secured by a first charge on a property of Metech. This note had been fully repaid on 14 December 2011.

- ***Secured revolving lines of credit***

  This line of credit allows for borrowing of up to US$500,000 (S$723,000). It bears interest on the outstanding balance at the bank's prime rate plus 0.50% which stood at 3.75% throughout the financial year, and is payable weekly. It is secured by an interest in equipment held by Metech. This line of credit had been fully repaid on 14 December 2011.

- ***Secured revolving term loans***

  The secured revolving term loans consist of five-year term loans repayable in monthly instalments from July 2006 and maturing between September 2011 and January 2013. They bear fixed interest, ranging from 6.43% to 7.89% (2011: 6.43% to 7.89%) per annum during the financial year. They are secured by a lien over specifically identified equipment of Metech. The secured revolving term loans are due to the same bank as the secured mortgage note above. This secured revolving term loans had been fully repaid on 14 December 2011.

22 LOANS AND BORROWINGS (cont'd)

- ***Secured promissory note***

  The principal amount plus interest for the promissory note, are payable monthly. It bears interest at 7%-8% (2011: 8%) per annum and is secured by a first lien over a property of Metech.

  In 2011, Metech had entered into a Forbearance Agreement with the bank whereby the bank had agreed not to exercise certain rights, which would have been available to the bank in the events of default. Amongst other terms of this Forbearance Agreement, Metech will not draw down further from the unutilised revolving lines of credit. The initial Forbearance Agreement expired on 15 May 2011, and another similar Forbearance Agreement was entered into with the bank. This second agreement expires on 14 December 2011 and full repayment had been made on 14 December 2011.

Unsecured loans

As at 30 June 2012, the amounts of S$2,600,000 (2011: S$ Nil) are unsecured, repayable on demand and bears interest of 7% per annum.

23 TRADE AND OTHER PAYABLES

	Group		Company	
	2012	2011	**2012**	2011
	S$'000	S$'000	**S$'000**	S$'000
Non-current				
Other payables	**164**	–	**–**	–
Current				
Trade payables	**5,787**	2,243	**2**	2
Accrued operating expenses	**1,155**	1,331	**70**	583
Sundry creditors	**2,333**	874	**957**	84
Accrued liabilities due to customers	**–**	623	**–**	–
Accrual for				
– professional fees	**495**	280	**156**	103
– staff costs	**698**	577	**655**	92
Derivative liability	**–**	153	**–**	–
	10,632	6,081	**1,840**	864
Less: Current portion	**(10,468)**	(6,081)	**(1,840)**	(864)
Non-current portion	**164**	–	**–**	–

24 COMMITMENTS

The Group leases and subleases certain warehouse and factory facilities under operating leases. These leases have a life of between 1 and 8 years. There are no restrictions placed upon the Group or Company by entering into these leases.

Future minimum lease payments payable under non-cancellable operating leases are as follows:

	Group		Company	
	2012	2011	**2012**	2011
	S$'000	S$'000	**S$'000**	S$'000
Within 1 year	**2,979**	2,955	**1,008**	1,042
After 1 year but within 5 years	**7,973**	9,418	**4,235**	4,267
After 5 years	**2,530**	2,909	**1,580**	1,580
	13,482	15,282	**6,823**	6,889

The total future minimum sublease payments expected to be received under non-cancellable subleases is S$409,000 (2011: S$ Nil) as at 30 June 2012.

During the financial year, the Company secured a bank guarantee on behalf of a subsidiary amounting to S$ 160,000 to an external party as security for trade purchase.

25 EMPLOYEE BENEFITS

	Group	
	2012	2011
	S$'000	S$'000
Employee benefits expense (including executive directors)		
Salaries and bonuses	**9,774**	10,314
Central Provident Fund contributions	**171**	797
Other short-term benefits	**3,409**	465
	13,354	11,576

Employee share option plans

The Centillion Share Option Scheme (the "CESOS") was approved by the members of the Company at an Extraordinary General Meeting held on 13 June 2002 and as amended by the Company on 14 May 2009. The CESOS is administered by the Company's Remuneration Committee.

25 EMPLOYEE BENEFITS (cont'd)

The members of the Remuneration Committee as at the date of this report are as follows:

Derek Loh (Chairman)
Jen Shek Voon
Francis Lee

Other information regarding the CESOS is set out below:

- Up to 50% of the options may be exercised at any time after 12 months and the remaining 50% of the option at any time after 24 months from the date of grant of that option. The Remuneration Committee may designate certain options to be exercised in full after 36 months from the date of grant of that option;

- The subscription price of the option may be set at a price at a discount up to 20% of Market Price, at Market Price or up to 200% of Market Price. For the purpose of the CESOS, Market Price is defined as the average of the last dealt prices per share determined by reference to the daily official list published by the SGX-ST for a period of five (5) consecutive market days immediately prior to the relevant date of grant;

- All options are settled by physical delivery of shares; and

- The options granted will expire after five years for Non-Executive Directors and 10 years for the employees of the Company and its subsidiaries.

The share option reserve was written off due to the expiration and forfeiture of the issued employee share options.

Movements in the number of share options and their related weighted average exercise prices are as follows:

	2012		2011	
	Weighted average exercise price S$	**No. of options '000**	Weighted average exercise price S$	No. of options '000
At beginning of period	**0.378**	**13,165**	0.378	13,295
Forfeited	**0.378**	**(13,165)**	0.432	(130)
At end of period	**–**	**–**	0.378	13,165
Exercisable at balance sheet date	**–**	**–**	0.378	13,165

25 EMPLOYEE BENEFITS (cont'd)

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Date of grant of options	Expiry date	Exercise price	Options outstanding	
			2012	2011
		S$	**'000**	'000
27 June 2002	27 June 2012	0.200	**–**	4,263
20 November 2003	20 November 2013	0.400	**–**	4,902
26 August 2004	20 November 2014	0.540	**–**	4,000
			–	13,165

As at 30 June 2011, the weighted average remaining contractual life for these options was 2.17 years. There are no options outstanding as at 30 June 2012.

The fair value of services received in return for share options granted was measured by reference to the fair value of share options granted. The estimate of the fair value of the services received was measured based on a Black-Scholes model. The expected life used in the model had been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

26 RELATED PARTIES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

(a) Key management personnel compensation

	Group	
	2012	2011
	S$'000	S$'000
Key management personnel compensation comprised:		
Short-term employee benefits	**706**	934

Directors also participate in the Employees Share Option Scheme. No share options were granted to the Directors of the Company during the year (2011: Nil).

26 RELATED PARTIES (cont'd)

(b) Other related party transactions

2012

During the year, Group entities entered into the following trading transactions with related parties that are not members of the Group:

	Group	
	2012	2011
	S$'000	S$'000
Commission	**37**	–
Professional fees	**35**	81
Rental income	**883**	–
Unsecured loan	**1,000**	–

27 OPERATING SEGMENTS

The Group has three reportable segments, United States of America, Singapore and Europe, which are the Group's strategic business units. With the intention to expand into Continental Europe, UK operations is now included in Europe operations. The revenues were solely from UK until the additional plant in the Czech Republic came on line in August 2011.The strategic business units offer similar products and services, being the provision of a one-stop recycling and processing service centre for the electronics industry and the trading of plastics and non-precious metal materials, and are managed separately based on their geographical locations/markets. For each of the strategic business units, the Group's Chief Executive Officer (CEO) reviews internal management reports on a monthly basis to make strategic decisions.

The accounting policies of the reportable segments are the same as described in Notes 2 and 3.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's CEO. Segment profit before income tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

As compared to the financial year ended 30 June 2011, there are no significant differences in the basis of segmentation or in the basis of measurement of segment profit or loss presented above.

27 OPERATING SEGMENTS (cont'd)

	United States of America S$'000	Singapore S$'000	China S$'000	Europe S$'000	Total S$'000
2012					
External revenues	**23,111**	**3,241**	**–**	**3,266**	**29,618**
Interest expense	**(868)**	**–**	**–**	**(169)**	**(1,037)**
Depreciation and amortisation	**(630)**	**–**	**–**	**(24)**	**(654)**
Reporting segment profit/(loss) before tax	**(3,190)**	**193**	**–**	**(1,052)**	**(4,049)**
Other material non-cash items:					
Reversal of doubtful receivables	**2**	**28**	**–**	**–**	**30**
Gain on disposal of discontinued operations	**–**	**–**	**–**	**–**	**–**
Reportable segments assets	**19,809**	**1,579**	**–**	**503**	**21,891**
Capital expenditure	**354**	**–**	**–**	**4**	**358**
Reporting segment liabilities	**37,504**	**20,203**	**–**	**7,217**	**64,924**
2011					
External revenues	17,100	3,771	148	3,964	24,983
Interest expense	(569)	–	(220)	–	(789)
Depreciation and amortisation	(530)	(159)	–	(8)	(697)
Reporting segment profit/(loss) before tax	(2,809)	858	(625)	(757)	(3,333)
Other material non-cash items:					
Reversal of doubtful receivables	–	170	–	22	192
Gain on disposal of discontinued operations	–	738	838	–	1,576
Reportable segments assets	22,877	2,016	–	1,347	26,240
Capital expenditure	414	34	–	166	614
Reporting segment liabilities	34,212	20,842	–	7,079	62,133

Non-current assets

The Group's non current assets for the financial years ended 30 June 2012 and 2011 mainly relate to the USA Segment.

27 OPERATING SEGMENTS (cont'd)

	2012 S$'000	2011 S$'000
Revenues		
Total revenue for reportable segments	**29,618**	24,983
Elimination of discontinued operations	**–**	(3,617)
Consolidated revenue	**29,618**	21,366
Profit or loss		
Total profit or loss for reportable segments	**(4,049)**	(3,333)
Corporate and other unallocated items	**(30,589)**	(3,005)
Elimination of inter-segment	**19,923**	–
Elimination of discontinued operations	**–**	188
Consolidated loss before income tax	**(14,715)**	(6,150)
Assets		
Total assets for reportable segments	**21,891**	26,240
Corporate and other unallocated items	**12,978**	33,341
Elimination of inter-segment assets	**(13,101)**	(34,682)
Consolidated total assets	**21,768**	24,899
Liabilities		
Total liabilities for reportable segments	**64,924**	62,133
Corporate and other unallocated items	**4,440**	2,376
Elimination of inter-segment liabilities	**(56,132)**	(55,738)
Consolidated total liabilities	**13,232**	8,771

27 OPERATING SEGMENTS (cont'd)

Other material items 2012

	Reported segment total S$'000	Adjustments S$'000	Consolidated totals S$'000
Interest expense	**1,037**	**(561)**	**476**
Depreciation and amortisation	**654**	**34**	**688**
Reversal of allowance for doubtful receivables	**(30)**	**–**	**(30)**

Other material items 2011

	Reported segment total S$'000	Adjustments S$'000	Consolidated totals S$'000
Interest expense	789	(277)	512
Depreciation and amortisation	697	21	718
Reversal of allowance for doubtful receivables	(192)	(310)	(502)
Gain on disposal of discontinued operations	(1,576)	–	(1,576)

Products and services segments

	2012 S$'000	2011 S$'000
Revenue		
Precious metals	**3,241**	3,617
Recycling of end-of-life electronics	**26,377**	21,366
	29,618	24,983

Major customer

Revenue from the top five customers of the USA segment represents approximately S$14,057,000 (2011: S$7,353,000) of the Group's total revenues.

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk factors

The Group is exposed to financial risks arising from its operations. The key financial risks include credit risk, liquidity risk and interest rate risk.

Financial risk management is carried out by management under policies approved by the Board of Directors. The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management of the Group.

(a) Credit risk

The Group's exposure to credit risk arises primarily from its trade and other receivables. The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group determines concentrations of credit risk by monitoring the country of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade and other debtors at the balance sheet date is as follows:

Trade and other receivables by country:

	Group	
	2012	2011
	S$'000	S$'000
United States of America	**2,950**	1,919
Singapore	**3,833**	1,920
United Kingdom	**193**	596
Czech Republic	**156**	61
	7,132	4,496

Financial assets that are neither past due nor impaired

Trade and other debtors that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history or default.

As at 30 June 2012, trade and other receivables which are neither past due nor impaired amounted to S$5,701,000 (2011: S$2,686,000).

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Credit risk (cont'd)

Financial assets that are either past due but not impaired

There is no other class of the Group's financial assets that is past due but not impaired except for trade and other receivables as set out below. These trade and other receivables are unsecured and the analysis of their aging at the balance sheet date is as follows:

	Group	
	2012	2011
	S$'000	S$'000
Trade receivables past due:		
– Past due 0 – 30 days	**893**	301
– Past due 31 – 120 days	**356**	349
– More than 120 days	**182**	1,160
	1,431	1,810

Financial assets that are past due and impaired

The Group's trade receivables that are determined to be individually impaired at the balance sheet date are as follows:

	Group	
	2012	2011
	S$'000	S$'000
Trade and other receivables	**5,781**	5,583
Less: Allowance for impairment	**(5,781)**	(5,583)
	–	–

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Credit risk (cont'd)

Financial assets that are past due and impaired (cont'd)

The movements in the allowance account used to record the impairment are as follows:

	Group	
	2012	2011
	S$'000	S$'000
Balance as at the beginning of the financial year	**5,583**	6,250
Translation difference	**207**	(165)
Provision for the year	**40**	–
Impairment loss reversed	**(30)**	(502)
Written off	**(19)**	–
Balance as at the end of the financial year	**5,781**	5,583

Trade and other receivables which are impaired at the balance sheet date relate to debtors that are in significant financial difficulties and have defaulted in payments. These trade and other receivables are not secured by any collateral.

(b) Foreign currency risk

The Group operates in various countries. It is exposed to foreign exchange risk as it maintains its assets and liabilities in various currencies. Exposure to currency risk is monitored on an on-going basis and the Group endeavors to keep its net exposure at an acceptable level.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily SGD and US dollar ("USD").

To manage the foresaid foreign currency risk, the Group maintains a natural hedge, whenever possible, by depositing foreign currency proceeds from sales into foreign currency bank accounts which are primarily used for payments of purchases in the same currency denomination.

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(b) Foreign currency risk (cont'd)

	2012		2011	
	USD	**SGD**	USD	SGD
	S$'000	**S$'000**	S$'000	S$'000
Group				
2012				
Financial assets				
Trade and other receivables	**168**	**4,005**	2,923	–
Cash and cash equivalents	**96**	**6,592**	99	–
	264	**10,597**	3,022	–
Financial liabilities				
Trade and other payables	**(5,271)**	**(4,262)**	(155)	(7,421)
	(5,271)	**(4,262)**	(155)	(7,421)
Net financial assets/ (liabilities)	**(5,007)**	**6,335**	2,867	(7,421)
Less: Net financial (assets)/ liabilities denominated in the respective entities' functional currencies	**4,807**	**(6,317)**	–	7,421
Currency exposure	**(200)**	**18**	2,867	–

If the following currencies strengthen by 5% (2011: 5%) against S$ at the balance sheet date, with all other variables being held constant, the effect arising from the net financial assets/ (liabilities) position will be as follows:

	Group Increase/(decrease) in loss after tax	
	2012	2011
	S$'000	S$'000
USD	**10**	143

A 5% strengthen of S$ against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(c) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

			Cash flows		
	Carrying amount S$'000	Total S$'000	One year or less S$'000	One to five years S$'000	Over five years S$'000
Group					
As at 30 June 2012					
Financial liabilities					
Borrowings	**2,600**	**(2,782)**	**(2,782)**	**–**	**–**
Trade and other payables	**10,459**	**(10,459)**	**(10,459)**	**–**	**–**
	13,059	**(13,241)**	**(13,241)**	**–**	**–**
As at 30 June 2011					
Financial liabilities					
Borrowings	2,688	(2,778)	(2,662)	(116)	–
Trade and other payables	6,081	(6,081)	(6,081)	–	–
Interest rate swap	153	(153)	(153)	–	–
	8,922	(9,012)	(8,896)	(116)	–

28 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(d) Interest rate risk

The Group's floating rate borrowings are exposed to a risk of changes in interest rates. Short term receivables and payables are not exposed to interest rate risk.

Sensitivity analysis for interest rate risk

Should the interest rates increase/decrease by 1% (2010: 1%) with all other variables including tax rates being held constant, the profit after tax will be lower/higher by approximately S$5,000 (2011: S$3,000) as a result of the changes in the interest rates.

(e) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. In order to maintain or achieve an optimal capital structure, the Group may adjust the dividend payment, issue new shares or obtain new borrowings. The Group's overall strategy remains unchanged from 2011.

The Group monitors capital based on a gearing ratio, which is borrowings divided by total shareholders' equity.

	Group	
	2012	2011
	S$'000	S$'000
Borrowings	**2,600**	2,688
Equity	**8,536**	16,128
Gearing (gross)	**30.5%**	16.7%

29 DETERMINATION OF FAIR VALUE

(a) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

The fair values of borrowings approximate their carrying amounts as at reporting date.

(b) Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values based on the estimated future cash flows. The discount rate used was based on market value of similiar instruments at reporting date. The fair value approximates the carrying value as at balance sheet date.

30 SUBSEQUENT EVENT

The Company has entered into a Sale and Purchase Agreement dated 1 October 2012 to acquire the entire equity interest in Tonkin Recycling Pte. Ltd. for an aggregate consideration of S$4 million of which S$1.2 million shall be satisfied in cash and the balance S$2.8 million shall be satisfied by the issuance of new ordinary shares of the Company.

Statistics of Shareholdings
As at 20 September 2012

Number of equity securities	:	1,654,692,760
Number of treasury shares held by the Company	:	NIL
Class of shares	:	Ordinary Share
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 999	632	4.81	236,485	0.01
1,000 – 10,000	6,387	48.57	29,067,343	1.76
10,001 – 1,000,000	6,044	45.96	428,321,174	25.89
1,000,001 and above	87	0.66	1,197,067,758	72.34
Total	**13,150**	**100.00**	**1,654,692,760**	**100.00**

SUBSTANTIAL SHAREHOLDINGS

Name of Substantial Shareholders	Direct Interest	Deemed Interest	Total	%
Asia Dynamic Pte Ltd	369,174,619	–	369,174,619	22.31
Song Tang Yih	–	369,174,619	369,174,619	22.31
Andrew Eng	–	369,174,619	369,174,619	22.31
Oei Hong Leong Foundation Pte Ltd	228,136,568	–	228,136,568	13.79
Chip Lian Private Limited	–	228,136,568	228,136,568	13.79
Oei Hong Leong	–	228,136,568	228,136,568	13.79
Tan Ng Kuang	155,792,000	–	155,792,000	9.42

Notes

a. Song Tang Yih and Andrew Eng are deemed to have interested in the shares held by Asia Dynamic Pte Ltd by virtue of their holding more than 20% of the total issued shares in Asia Dynamic Pte Ltd.

b. By virtue of Section 7 of the Companies Act, Cap. 50, Chip Lian Private Limited and Oei Hong Leong are deemed to be interested in the shares which Oei Hong Leong Foundation Pte Ltd has an interest in.

Statistics of Shareholdings
As at 20 September 2012

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	ASIA DYNAMIC PTE LTD	369,174,619	22.31
2	OEI HONG LEONG FOUNDATION PTE LTD	228,136,568	13.79
3	TAN NG KUANG	155,792,000	9.42
4	NEO AIK SOO	74,542,000	4.50
5	FORT CANNING (ASIA) PTE LTD	36,055,944	2.18
6	TAN JOON JAR	25,949,760	1.57
7	HSBC (SINGAPORE) NOMINEES PTE LTD	24,848,000	1.50
8	ENG WAH YOUND	19,500,000	1.18
9	OCBC SECURITIES PRIVATE LTD	16,914,000	1.02
10	DBS NOMINEES PTE LTD	16,584,309	1.00
11	TAN HUAT	13,976,000	0.84
12	UNITED OVERSEAS BANK NOMINEES PTE LTD	12,946,161	0.78
13	PHILLIP SECURITIES PTE LTD	11,797,790	0.71
14	CHAI YING HOW	10,000,000	0.60
15	CITIBANK NOMINEES SINGAPORE PTE LTD	8,379,590	0.51
16	MAYBANK KIM ENG SECURITIES PTE LTD	7,468,204	0.45
17	OCBC NOMINEES SINGAPORE PTE LTD	7,055,295	0.43
18	FRANCIS LEE FOOK WAH	6,500,000	0.39
19	RAFFLES NOMINEES (PTE) LTD	6,259,700	0.38
20	LIM SOON HONG	5,494,505	0.33
	TOTAL	**1,057,374,445**	**63.89**

Statistics of Warrant Holdings
As at 20 September 2012

DISTRIBUTION OF WARRANT HOLDINGS

SIZE OF WARRANT HOLDINGS	NO. OF WARRANT HOLDERS	%	NO. OF WARRANTS	%
1 – 999	154	4.17	109,797	0.01
1,000 – 10,000	1,062	28.77	6,100,411	0.74
10,001 – 1,000,000	2,415	65.41	180,306,532	21.79
1,000,001 AND ABOVE	61	1.65	640,829,640	77.46
TOTAL	**3,692**	**100.00**	**827,346,380**	**100.00**

TWENTY LARGEST WARRANT HOLDERS

NO.	NAME	NO. OF SHARES	%
1	FORT CANNING (ASIA) PTE LTD	245,294,346	29.65
2	OEI HONG LEONG FOUNDATION PTE LTD	114,068,284	13.79
3	TAN NG KUANG	77,896,000	9.42
4	WONG CHIH WEI EDWIN (HUANG ZHIWEI)	15,153,000	1.83
5	ENG WAH YOUND	14,000,000	1.69
6	TAN JOON JAR	12,974,880	1.57
7	HSBC (SINGAPORE) NOMINEES PTE LTD	12,078,900	1.46
8	PHILLIP SECURITIES PTE LTD	12,059,327	1.46
9	TAN SENG KIAH	10,989,012	1.33
10	NEO CHENG LIM OR NEO LAY KIN	9,075,000	1.10
11	CHAI YING HOW	5,000,000	0.60
12	TANG WEE LOKE	5,000,000	0.60
13	DBS NOMINEES PTE LTD	4,812,254	0.58
14	OCBC SECURITIES PRIVATE LTD	4,784,300	0.58
15	TEO HWEE LING BRENDA	4,577,000	0.55
16	UOB KAY HIAN PTE LTD	4,214,500	0.51
17	CHAN CHEE MENG	4,000,000	0.48
18	SUKUMARAN SUBBIAH	4,000,000	0.48
19	WONG HAN MENG	3,927,000	0.47
20	MAYBANK KIM ENG SECURITIES PTE LTD	3,825,259	0.46
	TOTAL	**567,729,062**	**68.61**

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