

W CORPORATION LTD (F.K.A CONTEL CORPORATION LTD)

(Incorporated in Bermuda) (Company Registration No. 36658)

Unaudited Quarterly Financial Statement and Dividend Announcement for the Financial Period ended 31 March 2014**Part 1 INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

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

	The Group		
	Unaudited 01/01/2014 to 31/03/2014 US\$'000	Unaudited 01/01/2013 to 31/03/2013 US\$'000	Increase / (Decrease)
Sales	1,088	743	46%
Cost of sales	(1,075)	(678)	59%
Gross profit	13	65	-80%
Other losses - net	-	(1,419)	-100%
Expenses			
--Administrative	(173)	(76)	128%
Loss, before income tax expense	(160)	(1,430)	-89%
Income tax expense	-	-	NM
Total loss attributable to equity holders of the Company	(160)	(1,430)	NM
Other comprehensive income	-	-	
Total comprehensive (loss)/income attributable to equity holders of the Company	(160)	(1,430)	-89%

Loss for the 3-month period has been arrived at after charging/(crediting)

Fair value loss on contingent consideration	-	(1,419)
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1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	The Group		The Company	
	Unaudited as at	Audited as at	Unaudited as at	Audited as at
	31/03/2014	31/12/2013	31/03/2014	31/12/2013
	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS				
Current assets				
Cash and cash equivalents	340	101	332	95
Trade and other receivables	56	56	80	43
Other current assets	344	346	344	344
	<u>740</u>	<u>503</u>	<u>756</u>	<u>482</u>
Non-current assets				
Investments in subsidiaries	-	-	-	- *
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>740</u>	<u>503</u>	<u>756</u>	<u>482</u>
LIABILITIES				
Current liabilities				
Trade and other payables	512	517	455	459
Convertible bonds	-	395	-	395
Current income tax liabilities	-	-	-	-
Total liabilities	<u>512</u>	<u>912</u>	<u>455</u>	<u>854</u>
NET (LIABILITIES)/ASSETS	<u>228</u>	<u>(409)</u>	<u>301</u>	<u>(372)</u>
EQUITY				
Capital and reserves attributable to the Company's equity holders				
Share capital	24,592	23,803	24,592	23,803
Share premium	35,449	35,449	35,449	35,449
Other reserves	17	9	-	-
Accumulated losses	(59,830)	(59,670)	(59,740)	(59,624)
TOTAL EQUITY	<u>228</u>	<u>(409)</u>	<u>301</u>	<u>(372)</u>

* Amount less than US\$1,000

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

Amount repayable in one year or less, or on demand

	As at 31/03/2014		As at 31/03/13	
	<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
	US\$'000	US\$'000	US\$'000	US\$'000
The Group				
Amount repayable in one year or less, or on demand	Nil	Nil	Nil	Nil
Amount repayable after one year	Nil	Nil	Nil	Nil
The Company				
Amount repayable in one year or less, or on demand	Nil	Nil	Nil	Nil
Amount repayable after one year	Nil	Nil	Nil	Nil

Details of any collateral

Nil.

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

	Unaudited 31 March 2014 US\$'000	Unaudited 31 March 2013 US\$'000
Cash flow from operating activities		
Total loss	(160)	(1,430)
-Fair value loss on contingent consideration	-	1,419
-Unrealised translation gains	8	12
	<u>(152)</u>	<u>1</u>
Change in working capital		
-Inventories	-	(3)
-Trade and other receivables	-	382
-Other current assets	2	(71)
-Trade and other payables	(5)	(314)
Net cash used in operating activities	<u>(155)</u>	<u>(5)</u>
Cash flows from financing activities		
Proceeds from issuance of convertible notes	394	-
Net cash generated from financing activities	<u>394</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalents	239	(5)
Cash and cash equivalents at beginning of financial period	101	138
Cash and cash equivalents at end of financial period	<u>340</u>	<u>133</u>

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

	<u>Share Capital</u> US\$'000	<u>Share Premium</u> US\$'000	<u>Shares to be Issued</u> US\$'000	<u>Other Reserves</u> US\$'000	<u>Accumulated Losses</u> US\$'000	<u>Total</u> US\$'000
<u>GROUP</u>						
Balance at 1 Jan 2013	21,459	35,405	-	2	(56,650)	216
Total comprehensive loss	-	-	-	12	(1,430)	(1,418)
Shares to be issued	-	-	1,049	-	-	1,049
Balance at 31 Mar 2013	21,459	35,405	1,049	14	(58,080)	(153)
Balance at 1 Jan 2014	23,803	35,449	-	9	(59,670)	(409)
Total comprehensive loss	-	-	-	8	(160)	(152)
Conversion of convertible notes	789	-	-	-	-	789
Balance at 31 Mar 2014	24,592	35,449	-	17	(59,830)	228
<u>COMPANY</u>						
Balance at 1 Jan 2013	21,459	35,405	-	-	(56,763)	101
Total comprehensive loss	-	-	-	-	(1,472)	(1,472)
Shares to be issued	-	-	1,049	-	-	1,049
Balance at 31 Mar 2013	21,459	35,405	1,049	-	(58,235)	(322)
Balance at 1 Jan 2014	23,803	35,449	-	-	(59,624)	(372)
Total comprehensive loss	-	-	-	-	(116)	(116)
Conversion of convertible notes	789	-	-	-	-	789
Balance at 31 Mar 2014	24,592	35,449	-	-	(59,740)	301

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

As at 31 March 2014, six sub-tranches of the Tranche 1 Notes amounting to S\$3,000,000 have been drawdown and fully converted to shares.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

Total issued shares as at 31 March 2014 – 601,183,822 ordinary shares.

Total issued shares as at 31 December 2013 – 588,060,463 ordinary shares.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the financial period ended 31 March 2014 as those applied in the Group's most recently audited financial statements for the financial year ended 31 December 2013.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

Reference	Description	Effective date
		(Annual periods beginning on or after)
Revised FRS 27	Separate Financial Statements	1 January 2014
Revised FRS 28	Investments in Associates and Joint Ventures	1 January 2014
FRS 110	Consolidated Financial Statements	1 January 2014
FRS 111	Joint Arrangements	1 January 2014
FRS 112	Disclosure of Interests in Other Entities	1 January 2014
Amendments to FRS 32	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 36	Recoverable Amount Disclosures for Non-Financial assets	1 January 2014
Amendments to FRS 39	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
Amendments to FRS 19	Defined Benefit Plans: Employee Contributions	1 July 2014
Improvements to FRSs (2)	Various	1 July 2014

The directors do not anticipate that the adoption of the above FRSs in future periods will have a material impact on the financial statements of the Group and the Company in the period of their initial adoption.

- 6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-**

	31/03/2014	31/12/2013
	US\$'000	US\$'000
Loss	(160)	(1,821)
EPS (US cents per share) - weighted ave no of shares	(0.03)	(0.31)
EPS (US cents per share) - fully diluted	(0.03)	(0.31)
EPS (US cents per share) - total no. of shares	(0.03)	(0.31)
Weighted average number of shares in issue	591,973,610	587,886,271
Fully diluted	591,973,610	587,886,271
Total number of shares in issue	601,183,822	588,060,463

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

	The Group		The Company	
	As at	As at	As at	As at
	31/03/2014	31/12/2013	31/03/2014	31/12/2013
	US Cents	US Cents	US Cents	US Cents
Net asset value per ordinary share based on issued share capital at the end of the financial year	0.04	(0.07)	0.05	(0.06)

The net asset value per ordinary share of the Group and the Company as at 31 March 2014 and 31 December 2013 were calculated based on the issued share capital of the Company of 601,183,822 and 588,060,463 ordinary shares, respectively.

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Financial Performance

1st Quarter

The Group's revenue of US\$1,088,000 for the three-month period ended 31 March 2014 were derived from its subsidiaries, Midland Silicon Company LLC and Silicon (Shanghai) Trading Limited (collectively known as "MSC") from the trading of solar grade silicon and silicon metal.

The Group's revenue for the three-month period ended 31 March 2013 of US\$743,000 were derived from trading of silica-related products and light emitting diodes (LED) related electronic products of US\$273,000 and US\$470,000 as contributed by its subsidiaries, MSC and Update Electronics, respectively.

The Group reported a lower gross profit for the period ended 31 March 2014 as compared to the period ended 31 March 2013 as the gross profit margin from trading of solar grade silicon and silicon metal is lower.

Overall, the net loss for the period ended 31 March 2013 is much higher than the period ended 31 March 2014 due to the fair value adjustment of US\$1,419,000 relating to the shares to be issued for the acquisition of Update Electronics.

Financial Position

The Group's current assets as at 31 March 2014 have increased by US\$237,000 which was mainly due to increase in cash and cash equivalents from the conversion of convertible notes.

The Group reported a decrease of US\$400,000 in current liabilities, mainly due to the conversion of the convertible notes.

Cash Flow

1st Quarter

The net cash used in the operating activities for the three-month period ended 31 March 2014 was US\$155,000. This was offset by US\$394,000 received from the subscription of the sixth sub-tranche of the Tranche 1 notes.

Hence, there is a net increase of US\$239,000 in cash for the three-month period ended 31 March 2014.

Proceeds raised from Equity-Linked Notes Issue

As reported earlier, at 31 December 2013, net proceeds of US\$1,966,000 have been raised from the issuance of convertible notes and US\$1,871,000 has been used for general working capital. For the three-month period ended 31 March 2014, a further US\$394,000 have been raised and US\$157,000 have been utilised as set out below.

	<u>US\$'000</u>
Directors' Remuneration	41
Legal and Professional Fees	25
Corporate secretarial, compliance and listing related expenses	36
Advances to subsidiaries for working capital	37
Others	18
	157

As at 31 March 2014, the Company still has a sum of US\$332,000 in its bank.

	<u>US\$'000</u>
Conversion of 5 sub-tranches in FY2013	1,966
Less: Funds used in FY2013	(1,871)
Bank balance as at 31 December 2013	95
Add: conversion of 6th sub-tranche in FY2014 Q1	394
Less: Funds used in FY2014 Q1	(157)
Bank balance as at 31 March 2014	332

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

No forecast, or a prospect statement, was previously disclosed to the shareholders.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group operates in two segments, namely trading of silicon metal by MSC and trading of LED related electronic products by Update Electronics.

Update Electronics has lost the rights as the distributor of LED products and is scaling down its operations.

The activities for trading of solar grade silicon and silicon metal has been picking up since the first quarter of FY2014.

The proposed issuance of 0% Equity Linked Redeemable Structured Convertible Notes with total principal amount up to S\$5,000,000 has been approved at the special general meeting convened on 30 August 2013. As at 31 March 2014, Advance Opportunities Fund ("Subscriber") has exercised its rights to subscribe to six sub-tranches of the Tranche 1 Notes amounting to S\$3,000,000 and all have been converted as at 31 March 2014.

With regard to the acquisition of the entire issued share capital of YuuZoo Corporation, ie Reverse Takeover Transaction, the Company will make announcements when there are any further related developments.

11 If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

None.

(b) (i) Amount per share cents

Not applicable.

(b) (ii) Previous corresponding period cents

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12 If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under [Rule 920](#) (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

There are no interested person's transactions as required under Rule 920 (1) (a)(ii). As such, no IPT mandate has been obtained from shareholders.

14 Negative assurance confirmation under the SGX listing rule 705(5) of the listing manual.

To the best knowledge of the Board of Directors, nothing has come to the attention of the Board of Directors which may render the unaudited financial statements for the period 31 March 2014 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Tsang Siu For, Thomas
Non- Executive Chairman
13 May 2014

Tan Choon Wee
Executive Director