

UNIONMET (SINGAPORE) LIMITED (the “Company”)

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

PROPOSED ACQUISITION OF LAND BY THE COMPANY

1. INTRODUCTION

The Board of Directors (“the Board”) of Unionmet (Singapore) Limited (“the Company”, or together with its subsidiaries, to be referred to as the “Group”) wishes to announce that the Company’s wholly-owned subsidiary in the People’s Republic of China (“PRC”), Guangxi Intai Technology Co., Ltd (广西铟泰科技有限公司) (“Intai”), has on 26 October 2010 entered into an agreement (the “Agreement”) with the Administrative Committee of Liujiang Economic Development Zone (柳江县经济开发区管理委员会) (“Liujiang Committee”) and the Preparation Sector of Administrative Committee of Guangxi Nongken Liuxing Industrial Zone (广西农垦柳兴产业园区管理委员会筹备处) (“Liuxing Committee”), to acquire a piece of industrial land with an area of approximately 31.98 mu (equivalent to approximately 21,298.68 square metres) located in Si Fang Tang of Industrial Zone of Liujiang County (the “Land”) to accommodate Intai’s business operations (the “Proposed Acquisition”).

2. SALIENT TERMS IN THE AGREEMENT

Pursuant to the Agreement, the aggregate price for the Proposed Acquisition will be approximately RMB5 million (the “Consideration”), 50% of which shall be paid within 5 days upon signing the Agreement, with the balance to be paid during the announcement period of the public auction of the Land.

In addition, Intai shall pay approximately RMB0.3 million within 5 days of the Agreement as refundable deposit (the “Deposit”) for the construction of a new plant for the business of manufacturing high purity indium, on the Land (the “Plant”).

Notwithstanding the above, Intai shall acquire the Land through a public auction to be conducted by the local land resources authority, which shall be conducted in accordance with the prescribed legal procedures under the PRC’s laws and regulations. In the event that Intai is successful in its bid for the Land, it will enter into a definitive land use right transfer agreement with the local land resources authority.

In the event that Intai does not obtain the land use right certificate for any reason, Liujiang Committee and Liuxing Committee shall repay Intai all the amounts previously paid by Intai in relation to the Proposed Acquisition.

In addition, pursuant to the Agreement, Intai has undertaken to Liujiang Committee and Liuxing Committee that its annual production value and tax contribution shall achieve RMB64.0 million and RMB2.56 million respectively within twelve months upon the commencement of production, failing which Intai shall be subjected to compensation costs amounting to 10% of the Consideration.

Shareholders should note that there is no assurance that Intai will achieve the above-mentioned annual production value and tax contribution targets.

3. RATIONALE FOR PROPOSED ACQUISITION

As mentioned in the Company's announcement dated 31 July 2009, the government authorities of Liuzhou City, Guangxi Province, as part of the local government's township planning efforts, had requisitioned for certain pieces of land located at Road No. 2, High Technology Zone, Liuzhou City (柳州高新区科技工业苑), Guangxi Province, PRC, and No. 17 Baiyun Road, Liuzhou City, PRC (柳州市白云路 17 号), respectively, which were used by the Group for its business operations. As such, the Company intends to carry out the Proposed Acquisition in order to relocate part of Intai's indium production facilities and factory buildings from the land located at Road No. 2, High Technology Zone, Liuzhou City (柳州高新区科技工业苑) to the Land.

The Company intends to fund the Proposed Acquisition through the Company's internal resources. As at the date of this Announcement, the Directors are of the opinion that, after taking into account the Group's internal sources of funds and the effects of Proposed Acquisition, the working capital available to the Group is sufficient to meet the Group's present requirements. Having regard to the final auction price in the public auction, the Company will only complete the Proposed Acquisition if the Board is of the view that the Proposed Acquisition is in the interests of the Group and is not prejudicial to the Company's shareholders as a whole.

This transaction is not expected to have any material impact on the earnings and net tangible assets of the Company for the financial year ending 30 November 2010.

4. INTERESTS OF DIRECTORS AND/OR CONTROLLING SHAREHOLDERS

None of the Directors or the controlling shareholders of the Company has any direct or indirect interest in the Proposed Acquisition.

None of the Directors of the Company will be entering into any service contracts in connection with the Proposed Acquisition.

The Company will announce any material updates when appropriate.

Shareholders and other investors are reminded to exercise caution when dealing in the Shares. In the event that Shareholders and other investors are in doubt when dealing in the Shares, they should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

On behalf of the Board of
UNIONMET (SINGAPORE) LIMITED

Meng Limin
Executive Director & Chief Executive Officer

27 October 2010