

UNAUDITED FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 NOVEMBER 2006

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULTS

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

Group Income Statement for full year ended 30 November 2006. These figures have not been audited.

	Group		
	US\$		%
	Unaudited 11/30/2006	Audited 11/30/2005	Increase/ (Decrease)
Revenue	55,528,032	25,145,062	121%
Cost of sales	(43,752,940)	(15,582,959)	181%
Gross profit	11,775,092	9,562,103	23%
Other income	1,865,030	960,593	94%
Selling and distribution expenses	(408,738)	(248,315)	65%
General and administrative expenses	(2,389,897)	(1,433,498)	67%
Other expenses	(1,095,757)	(427,115)	156%
Profit from operations	9,745,730	8,413,768	16%
Interest expense	(209,319)	(87,063)	140%
Profit before tax	9,536,411	8,326,705	15%
Income tax	(35,111)	(275,785)	(87%)
Net profit from ordinary activities	9,501,300	8,050,920	18%
Minority interest	-	(54,449)	N.M.
Net profit for the financial year attributable to equity holders of the parent	9,501,300	7,996,471	19%

N.M.: Not meaningful

Note:

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

	Group	
	US\$	
	Unaudited	Audited
	11/30/2006	11/30/2005
Depreciation of property, plant and equipment	217,887	143,986
Exchange gain, net	(147,939)	(77,027)
Research and development expenses	43,978	24,196
Rental expenses	107,767	60,297
Machinery rental expenses	536,757	230,935
Interest expense	209,319	87,063
Under provision of tax in respect of prior years	24,680	-
Negative goodwill arising from acquisition of additional interests in a subsidiary company	-	(215,620)

A breakdown of other income:

	Group	
	US\$	
	Unaudited	Audited
	11/30/2006	11/30/2005
Sale of raw materials	1,737,548	547,441
Negative goodwill arising from acquisition of additional interests in a subsidiary company	-	215,620
Management service fee charged to a related party	19,069	129,470
Management service fee charged to a director related company	-	34,275
Interest income	85,344	15,506
Subsidies income	19,035	-
Others	4,034	18,281
	1,865,030	960,593

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.

	Note	Group		Company	
		Unaudited	Audited	Unaudited	Audited
		11/30/2006	11/30/2005	11/30/2006	11/30/2005
		US\$	US\$	US\$	US\$
Non-current assets					
Property, plant and equipment		1,495,206	1,497,955	56,796	69,000
Goodwill on consolidation		28,673	28,673	-	-
Investments in subsidiary companies		-	-	4,002,983	4,002,983
		1,523,879	1,526,628	4,059,779	4,071,983
Current assets					
Cash on hand and at bank		7,459,231	4,117,708	3,570,196	3,790,959
Trade receivables		3,008,438	1,525,266	388,800	983,471
Other receivables and prepayments		2,450,816	3,952,222	10,214,270	3,728,308
Inventories		10,851,814	6,811,218	658,868	2,124,337
		23,770,299	16,406,414	14,832,134	10,627,075
Current liabilities					
Trade payables		1,867,214	1,366,701	780,077	1,651,541
Other payables		6,130,009	3,604,159	5,042,096	2,221,714
Bills payable to banks		-	1,223,467	-	1,223,467
Tax payable		10,432	207,697	10,432	207,697
		8,007,655	6,402,024	5,832,605	5,304,419
Net current assets		15,762,644	10,004,390	8,999,529	5,322,656
Non-current liabilities					
Deferred tax liability		(34,475)	(34,475)	(3,840)	(3,840)
Convertible loans		-	(5,500,000)	-	(5,500,000)
Net Assets		17,252,048	5,996,543	13,055,468	3,890,799
Equity					
Share capital		7,698,395	2,198,395	7,698,395	2,198,395
Reserves		9,553,653	3,798,148	5,357,073	1,692,404
		17,252,048	5,996,543	13,055,468	3,890,799

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 11/30/2006		As at 11/30/2005	
Secured	Unsecured	Secured	Unsecured
US\$	US\$	US\$	US\$
-	-	1,223,467 ¹	-

Amount repayable after one year

As at 11/30/2006		As at 11/30/2005	
Secured	Unsecured	Secured	Unsecured
US\$	US\$	US\$	US\$
-	-	5,500,000 ²	-

Details of any collateral

As of 30 November 2006, the Group has fully repaid the amount of US\$1,223,467. The aggregate convertible loan amounts of US\$5,500,000 have been fully converted into ordinary shares.

¹ This was secured on a floating charge over zinc oxide and indium inventories and all the trade receivables, and a personal guarantee of US\$500,000 from one of the Company's directors.

² The Company entered into convertible loan agreements ("Convertible Loan Agreements") on 16 September 2005 and 16 November 2005 with investment companies (ACIF and CIM) for loan principal amounts of US\$5,500,000. On 24 November 2006, the investment companies exercised their conversion rights. Please see section 1(d)(ii) for more details.

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

	Group	
	US\$	
	Unaudited	Audited
	11/30/2006	11/30/2005
Cash flows from operating activities		
Profit before taxation	9,536,411	8,326,705
Adjustments for:		
Loss on disposal of a subsidiary company	624,111	-
Depreciation of property, plant and equipment	217,887	143,986
Interest income	(85,344)	(15,506)
Interest expense	209,319	87,063
Negative goodwill arising from acquisition of additional interests in a subsidiary company	(535,635)	(215,620)
Foreign currency translation	215,670	35,737
Operating profit before working capital changes	10,182,419	8,362,365
Increase in trade receivables	(1,868,603)	(1,470,452)
Decrease/ (Increase) in other receivables	461,002	(3,401,551)
Increase in inventories	(4,475,926)	(3,167,442)
Increase in trade payables	2,172,868	306,790
(Decrease)/ Increase in other payables	(4,148)	1,266,617
Decrease in amounts due to minority interest, net	-	(1,524,511)
Cash flows generated from operations	6,467,612	371,816
Income tax paid	(232,378)	(66,508)
Interest paid	(209,319)	(87,063)
Interest received	85,344	15,506
Net cash flows generated from operating activities	6,111,259	233,751
Cash flows from investing activities		
Acquisition of a subsidiary company, net	21,818	-
Disposal of a subsidiary company, net	78,428	-
Payment of deferred purchase consideration to minority interest	-	(2,604,633)
Acquisition of additional interests in purchase of shares in a subsidiary company	-	(133,000)
Purchase of property, plant and equipment	(214,826)	(454,175)
Proceeds from disposal of property, plant and equipment	38,311	-
Net cash flows used in investing activities	(76,269)	(3,191,808)
Cash flows from financing activities		
Proceeds from issuance of shares	-	880,000
Loan to a related party	-	(203,701)
Repayment of loan from a shareholder	-	(931,800)
Loan from a related party	-	369,914
Loan from a third party	-	325,031
Repayment of loan from minority interest	-	1,947,502
(Decrease)/Increase in bills payable to banks	(1,223,467)	1,223,467
Proceeds from convertible loans	-	5,500,000
Dividends paid to shareholders	(1,470,000)	(3,130,000)
Incorporation of a subsidiary company	-	(1,000,000)
Disposal of a subsidiary company	-	1,000,000
Net cash flows (used in) / generated from financing activities	(2,693,467)	5,980,413
Net increase in cash on hand and at bank	3,341,523	3,022,356
Cash on hand and at bank at beginning of year	4,117,708	1,095,352
Cash on hand and at bank at end of year	7,459,231	4,117,708

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

Group	Share capital	Statutory reserve*	Accumulated (losses)/ profits	Foreign currency translation reserve	Total
	US\$	US\$	US\$	US\$	US\$
Balance at 30 November 2004	1,253,045	337,315	(15,251)	-	1,575,109
Issued for cash at par	880,000	-	-	-	880,000
Issued in exchange for additional issued share capital of a subsidiary company	65,350	-	-	-	65,350
Net profit for the financial year	-	-	7,996,471	-	7,996,471
Transferred from accumulated profits	-	537,571	(537,571)	-	-
Dividends declared	-	-	(4,600,000)	-	(4,600,000)
Reversal of deferred tax liability directly to equity	-	-	25,078	-	25,078
Currency translation difference arising from consolidation	-	-	-	54,535	54,535
Balance at 30 November 2005	2,198,395	874,886	2,868,727	54,535	5,996,543
Conversion of loans to shares	5,500,000	-	-	-	5,500,000
Net profit for the financial year	-	-	9,501,300	-	9,501,300
Transferred from accumulated profits	-	820,430	(820,430)	-	-
Dividends declared	-	-	(4,000,000)	-	(4,000,000)
Currency translation difference arising from consolidation	-	-	-	254,205	254,205
Balance at 30 November 2006	7,698,395	1,695,316	7,549,597	308,740	17,252,048
Company	Share capital	Accumulated (losses)/ profits	Total		
	US\$	US\$	US\$		
Balance at 30 November 2004	1,253,045	(9,858)	1,243,187		
Issued for cash at par	880,000	-	880,000		
Issued in exchange for additional issued share capital of a subsidiary company	65,350	-	65,350		
Net profit for the financial year	-	6,302,262	6,302,262		
Dividends declared	-	(4,600,000)	(4,600,000)		
Balance at 30 November 2005	2,198,395	1,692,404	3,890,799		
Conversion of loans to shares	5,500,000	-	5,500,000		
Net profit for the financial year	-	7,664,669	7,664,669		
Dividends declared	-	(4,000,000)	(4,000,000)		
Balance at 30 November 2006	7,698,395	5,357,073	13,055,468		

- 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 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.**

	Number of shares	Issued share capital US\$
Paid up ordinary shares of S\$1.00 each as at 30.11.05	3,629,487	2,198,395
Increase of ordinary shares due to share split	212,075,113	-
Conversion of loans into ordinary shares	52,427,796	5,500,000
Issued and paid-up share capital as at 30.11.06	268,132,396	7,698,395
Issued and paid-up share capital in connection with Initial Public Offering	100,000,000	24,061,911
Post invitation share capital	368,132,396	31,760,306

Convertible Loans

On 16 September 2005, Unionmet entered into a convertible loan agreement with Asean China Investment Fund L.P. ("ACIF"). ACIF agreed to invest up to US\$4,000,000 in Unionmet through a convertible loan facility.

On 16 November 2005, CIM IV Limited ("CIM") executed a deed of accession and ratification to the said convertible loan agreement (the "Deed") pursuant to which CIM agreed to invest up to a further US\$1,500,000 in Unionmet.

The aggregate convertible loans amount of US\$5,500,000 (the "Loan") was made in consideration of the rights of ACIF and CIM to convert the full sum of the Loan into fully paid new shares of our Company (the "Conversion Right").

On 24 November 2006, ACIF and CIM exercised their Conversion Right and 36,627,765 and 13,735,412 Shares in the capital of our Company were allotted and in turn issued to our ACIF and CIM respectively. In addition, on the same date, 0.77% of our Company's share capital before Invitation was transferred from the original shareholders to CIM in proportion to the original shareholding percentage in our Company's share capital before restructuring, resulting in 15,800,031 shares being issued to CIM.

On 30 November 2006, our Company sub-divided each ordinary share in the issued share capital into 60 shares.

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

These figures have neither been audited nor reviewed by the Company's auditors

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

Not applicable

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the recently audited financial statements for the financial year ended 30 November 2005.

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.**

There are no changes in accounting policies and methods of computation.

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.**

	Group	
	11.30.2006 US\$	11.30.2005 US\$ (*)
Earnings per ordinary share of the group, after deducting any provision for preference dividends (in cents):		
(a) Based on weighted average number of ordinary shares on issue; and	4.34	4.05
Weighted average number of ordinary shares for basic earnings per share computation	218,735,089	197,442,723
(b) On a fully diluted basis	3.54	3.58
Weighted average number of ordinary shares adjusted for the effect for dilution	268,132,396	223,641,457

* Earnings per share amount is computed based on retrospective application of the share split.

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

	Company		Group	
	11/30/2006 US\$	11/30/2005 US\$	11/30/2006 US\$	11/30/2005 US\$
Net asset value per ordinary share based on issued share capital at the end of the respective periods (in cents):	4.87	107.20	6.43	165.22
No. of ordinary shares used in computing net asset value	268,132,396	3,629,487	268,132,396	3,629,487

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.**

Revenue

The Group's total revenue increased by US\$30.4 million from US\$25.1 million in FY2005 to US\$55.5 million in FY2006. The significant growth was fueled by the significant increase in the sales of by-products as the group has moved upstream to process zinc concentrate in order to secure a stable supply of indium slag and strip liquor for its production of its core products, indium ingots. As the market prices of zinc related products usually track those of zinc, the average selling prices of these by-products have also increased due to the significant increase in market price of zinc.

The primary by-products in the extraction process of indium slag and strip liquor are zinc related products. As indium production increases, the production of zinc related products will also increase. In line with the increase in production and sales of indium, higher sales were contributed by zinc related products. The increase in revenue due to indium and by products was partially offset by the decline in sales of zinc oxide due to the cessation of zinc oxide production in April 2006.

Profit Margin

Compared to the previous financial year, the Group experienced a drop in profit margin from 33% in FY2005 to 18% in FY2006 in general, due to the following:

The decline in profit margin of indium ingots from 47% in FY2005 to 33% in FY2006 is mainly due to the decrease in indium prices in the second half of FY2006.

The decrease in profit margin of indium ingots is partially offset by the marginal increase in the profit margin of by-products from 5% in FY2005 to 8% in FY2006. The improvement in profit margin for by-products is mainly due to the increase in market price of zinc and the reduction in average costs of production resulting from economies of scale.

Other income

Other income increased by 94% from US\$1.0 million in FY2005 to US\$1.9 million in FY2006. The significant increase was mainly contributed by the sale of raw materials. The sale of raw materials consisted of sale of raw materials such as lead residue, iron residue, zinc calcine and processed zinc oxide. During the production of indium ingots, there are production residues such as lead residue and iron residue subsequently sold. The increase in sale of raw materials is a direct result of expansion in production activities.

The increase in sale of raw materials was offset by the decrease in negative goodwill arising from the acquisition of additional interests in a subsidiary company recognised in FY 2005. In addition, management service fee charged to a related party and to a director related company had also ceased in FY2006 and these further contributed to the decline in other income.

Operating expenses

The selling and distribution expenses increased by US\$0.2 million from US\$0.2 million in FY2005 to US\$0.4 million in FY2006 and this is in line with the increase in revenue.

Administrative expenses had also increased by US\$1.0 million due to higher professional fees, director's fees, and salary related expenses.

Profit after tax

As a result of the aforementioned factors, profit after tax increased by US\$1.4 million, or 17% from US\$8.1 million in FY2005 to S\$9.5 million in FY2006.

Financial Position

Non-Current Assets

The Group's property, plant and equipment remained largely unchanged as at 30 November 2006 compared to 30 November 2005.

Current Assets

As at 30 November 2006, the Group's current assets amounted to US\$23.8 million comprising of cash on hand and at bank of US\$7.5 million, trade receivables of US\$3.0 million, other receivables and prepayments of US\$2.5 million and inventories of US\$10.8 million.

The increase of US\$3.3 million in cash and bank balances and increase of US\$ 1.5 million in trade receivables were due to the higher sales made during the year. Other receivables and prepayments decreased by US\$1.5 million due mainly to more prompt delivery of raw materials by suppliers. Inventories increased by US\$4.1 million due to the higher stock levels of raw materials held as of year-end in anticipation of the expected increase in production activities.

Current Liabilities

The Group's current liabilities as at 30 November 2006 comprised of trade payables of US\$1.9 million, other payables of US\$6.1 million and tax payable of US\$10k. Increase in current liabilities was due mainly to the interim dividend of US\$ 4.0 million declared for FY2006.

Non-Current Liabilities

As at 30 November 2006, non-current liabilities decreased by approximately US\$5.5 million due to the conversion of the US\$5.5 million convertible loans into equity during the year.

Shareholders' equity

Shareholders' equity increased by US\$11.3 million mainly due to conversion of convertible loans of US\$5.5 million into equity and increase in reserves of US\$5.8 million.

Cash Flow

There is an overall increase of US\$ 3.3 million in cash and cash equivalents as of 30 November 2006. Cash generated from operating activities amounted to US\$6.1 million. Net cash used in investing activities amounted to US\$0.08 million and this was mainly attributed to the purchase of property, plant and equipment, offset by the net cash received from the acquisition and disposal of a subsidiary company. Net cash used in financing activities amounted to US\$2.7million and this was mainly due to the US\$1.2 million repayment of bills payable and payment of the remaining balance of US\$ 1.5 million for the 2005 interim dividends of US\$ 4.6 million this year.

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

None

- 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 has been enjoying a 13% export tax rebate on indium for the financial periods under review. On 14 September 2006, the PRC government announced a cut on export tax rebates on a list of export items across a wide spectrum of industries. Apart from the removal of the export tax rebate, on 19 December 2006, the PRC government also announced that the export of unwrought indium, indium waste, and indium powder will be levied a 15% export tariff with effect from 1 January 2007. The Group's core product, indium, is one of the items affected by the aforesaid new rulings on the removal of export tax rebate and the imposition of export tariff.

Furthermore, on 22 December 2006, the PRC government announced that unwrought indium, indium waste, indium powder, wrought indium and its related products shall be classified in the list of goods governed under export permit management regime with effect from 1 January 2007. Accordingly, an exporter of the abovementioned products is required to apply to the Ministry of Commerce or its authorised department for (1) a relevant password; and (2) an export permit for each batch of products that it wishes to export. The Group has obtained the relevant password and the export permits required for each batch of products that the Group exports.

- 11. Dividend**

(a) Current Financial Period Reported On

As indicated in the Company's prospectus dated 22 January 2007, an interim exempt (one-tier) dividend of US\$4.0 million was declared on 20 November 2006 which shall be paid out no earlier than 1 June 2007 to our shareholders - Zeng Fuzu, Chen Cong, Huang Guozhi, Grasmere and Precious.

(b) Corresponding Period of the Immediately Preceding Financial Year

For the financial year ended 30 November 2005, the Company declared an interim exempt (one-tier) dividend of US\$4.6 million as at 1 September 2005 which was fully paid out on 31 August 2006.

(c) Date payable

The interim exempt (one-tier) dividend of US\$4.0 million is payable no earlier than 1 June 2007.

(d) Books closure date

Not applicable

12. **If no dividend has been declared/recommended, a statement to that effect.**

No further dividend has been declared or recommended for the financial period ended 30 November 2006.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**(a) Analysis by business segments**

	Indium US\$	Zinc oxide US\$	Other by- products US\$	Total US\$
2006				
Segment revenue				
- External	20,368,532	476,280	34,683,220	55,528,032
Segment profit from operations	6,747,741	66,981	2,931,008	9,745,730
Interest expense				(209,319)
Profit before taxation				9,536,411
Taxation				(35,111)
Profit after taxation				9,501,300
Minority interest				-
Net profit for the year				9,501,300
Depreciation of property, plant and equipment	79,924	1,869	136,094	217,887
2005				
Segment revenue				
- External	17,101,213	2,560,528	5,483,321	25,145,062
Segment profit from operations	7,994,865	159,121	259,782	8,413,768
Interest expense				(87,063)
Profit before taxation				8,326,705
Taxation				(275,785)
Profit after taxation				8,050,920
Minority interest				(54,449)
Net profit for the year				7,996,471
Depreciation of property, plant and equipment	97,925	14,662	31,399	143,986

(b) Analysis by geographical segments (based on where customers are located)

	China/ Hong Kong US\$	Japan US\$	USA/ Europe US\$	Other Asia US\$	Total US\$
2006					
Segment revenue					
- External	38,585,046	9,403,064	6,311,540	1,228,382	55,528,032
2005					
Segment revenue					
- External	9,858,671	3,172,855	10,572,394	1,541,142	25,145,062

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please see paragraph 8.

15. A breakdown of sales.

	Sales		Profit after tax*	
	FY2006	FY2005	FY2006	FY2005
	US\$	US\$	US\$	US\$
First 6 months	21,211,936	9,913,359	4,041,970	2,037,368
Last 6 months	34,316,096	15,231,703	5,459,330	6,013,552
	55,528,032	25,145,062	9,501,300	8,050,920

* - Profit after tax before minority interest

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Latest Full Year (FY06)	Previous Full Year (FY05)
Ordinary	US\$4,000,000	US\$4,600,000
Preference	0	0
Total:	US\$4,000,000	US\$4,600,000

17. Interested Person Transactions

(In USD)

Name of Interested Person	FY 2006	
	Aggregate value of all IPTs during the financial year under review [excluding transactions less than \$100,000 and transactions pursuant to the IPT Mandate (or a shareholders' mandate for IPTs under Rule 920 of the New Listing Manual)]	Aggregate value of all IPTs under the IPT Mandate (or a shareholders' mandate for IPTs under Rule 920 of the New Listing Manual) during the financial year under review (excluding transactions less than \$100,000)
a) Sales to LNG	NIL	15,661,676
b) Purchases from LNG	NIL	10,895,916
c) Rental paid to LNG	NIL	136,190

Note: LNG refers to Liuzhou Nonferrous Group

BY ORDER OF THE BOARD

Meng Limin
Executive Director
28 February 2007

Note: The Initial Public Offering of the Company was sponsored by Stirling Coleman Capital Limited ("the Manager"). The Manager assumes no responsibility for the contents of this announcement.