

UNIONMET (SINGAPORE) LIMITED (the “Company”)

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

GOVERNMENT REQUISITION OF LAND USED BY THE COMPANY

The Board of Directors of the Company (hereinafter, together with its subsidiaries, to be referred to as the “Group”) wishes to announce that the government authorities of Liuzhou City, Guangxi, People’s Republic of China (“PRC”), have requisitioned for certain pieces of land used by the Group for its business operations as part of the local government’s township planning efforts (the “Requisition”). Details of the affected properties used by the Group are as follows:

A. Requisition of land located at Road No. 2, High Technology Zone, Liuzhou City (柳州高新区科技工业苑), Guangxi, PRC (the “Intai Land”)

On 27 July 2009, the Company’s wholly-owned PRC subsidiary Guangxi Intai Technology Co., Ltd (广西钢泰科技有限公司) (“Intai”) entered into an agreement with the Liuzhou Land Trading and Reservation Center (柳州市土地交易储备中心) (the “Acquirer”) and Liuzhou Mediation Office for Enterprise Relocation and Reconstruction (柳州市企业搬迁改造协调领导小组办公室) pursuant to which the Acquirer will purchase the Intai Land for a total consideration of RMB3,510,000 payable in cash in 2 tranches as follows:

- (a) RMB3,000,000 to be paid within 7 working days from the delivery of the relevant land use rights certificate by Intai to the Acquirer; and
- (b) the balance RMB510,000 to be paid within 7 working days upon the completion of the auction of the Intai Land by the Acquirer.

(the “Consideration”)

In addition to the Consideration, the Acquirer will:

- (a) make a compensation of RMB670,000 to Intai for the existing buildings and structures on the Intai Land to be paid within 10 working days from the receipt of proceeds from the auction of the Intai Land by the Acquirer; and
- (b) allocate to Intai 70% of the excess of the auction price of the Intai Land received by the Acquirer over the Consideration, net of applicable taxes, payable in 3 tranches as follows:
 - i. 30% upon acquisition of a new piece of land by Intai for Intai’s production facilities;
 - ii. 40% upon completion of construction of factory building by Intai; and
 - iii. the remaining 30% upon certification of completion of such factory building issued by the local authorities.

(the “Compensation”)

The auction of the Intai Land will be carried out by the relevant authority in the PRC at a subsequent date to be determined, and the auction price of the Intai Land which will be used to determine the second portion of the Compensation will be made known by then.

The Consideration and the Compensation are based on the "Provisional Measures on the Incentives given for Relocation and Reconstruction of Enterprises" (《关于鼓励企业搬迁改造暂行办法》), issued by the People's Government of Liuzhou in 2007.

Under the terms of the above-mentioned sale and purchase agreement, Intai shall hand over vacant possession of the Intai Land by 15 November 2009.

The net book value of the land and buildings affected is approximately RMB2,710,000 as at 31 May 2009.

The indium production workshop used for carrying out the electrolysis process on indium slags produced by the Group was located on the Intai Land. The Group has already successfully relocated the indium production workshop and related operations to its production premises located at No. 17 Baiyun Road, Liuzhou City, Guangxi, PRC.

B. Requisition of land located at No. 17 Baiyun Road, Liuzhou, PRC (柳州市白云路17号) (the "Liuzhou Land")

The Group currently leases some of its production facilities and factory buildings for extraction of indium slag and strip liquor, as well as a rotary kiln and other related production and Indium-Tin-Oxide research and development facilities (including the indium production workshop mentioned in Part A above) located on the Liuzhou Land from an unrelated third party, Guangxi Liuzhou Nonferrous Metals Smelting Co., Ltd. (广西柳州有色冶炼股份有限公司) ("Liuzhou Nonferrous").

Pursuant to the Requisition, the Acquirer will acquire the Liuzhou Land from Liuzhou Nonferrous, and Liuzhou Nonferrous shall hand over vacant possession of the Liuzhou Land by 31 December 2010.

During the interim period from the date of this announcement to the handing over of vacant possession of the Liuzhou Land, the Group will carry on its business operations at the Liuzhou Land, and concurrently source for suitable premises to relocate the affected production facilities and factory buildings. The Board of Directors is of the view that the impact on the business operations of the Group as a result of the Requisition will be minimal.

The Company will make appropriate announcements to update shareholders as and when there are any further developments in relation to the above-mentioned matters.

None of the directors or substantial shareholders has any interest, direct or indirect, in the above transactions.

On behalf of the Board of
UNIONMET (SINGAPORE) LIMITED

Meng Limin
Executive Director & Chief Executive Officer

31 July 2009