

OFFER INFORMATION STATEMENT DATED 19 JUNE 2009

(Lodged with the Monetary Authority of Singapore on 19 June 2009)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

A copy of this Offer Information Statement (as defined herein), together with a copy each of the Provisional Allotment Letter (the “**PAL**”), the Application Form for Rights Shares and Excess Rights Shares (the “**ARE**”) and the Application Form for Rights Shares (the “**ARS**”), have been lodged with the Monetary Authority of Singapore (the “**Authority**”). The Authority assumes no responsibility for the contents of this Offer Information Statement, the PAL, the ARE and the ARS. Lodgement of this Offer Information Statement with the Authority does not imply that the Securities and Futures Act, Chapter 289 of Singapore, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the Rights Shares, (as defined herein) being offered, or in respect of which an invitation is made, for investment.

Approval-in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing of and quotation for the Rights Shares on the Official List of the SGX-ST. The Rights Shares will be admitted to the Official List of the SGX-ST and the official listing of and quotation for the Rights Shares will commence after all Rights Shares certificates have been issued and the allotment letters from The Central Depository (Pte) Limited (“**CDP**”) have been despatched.

Approval-in-principle granted by the SGX-ST for the Rights Issue, the admission of the Rights Shares to the Official List of the SGX-ST and the dealing in, listing of and quotation for the Rights Shares are in no way reflective of and not to be taken as an indication of the merits of Unionmet (Singapore) Limited (the “**Company**”), its subsidiaries, the Rights Issue or the Rights Shares. The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Offer Information Statement.

No Rights Shares shall be allotted or allocated on the basis of this Offer Information Statement later than six (6) months after the date of lodgement of this Offer Information Statement.



UNIONMET (SINGAPORE) LIMITED

(Incorporated in the Republic of Singapore on 21 July 2004)
(Company Registration No. 200409104W)

THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 245,421,598 NEW ORDINARY SHARES (“RIGHTS SHARES”) IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.02 FOR EACH RIGHTS SHARE, ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY THREE (3) EXISTING ORDINARY SHARES OF THE COMPANY HELD BY ENTITLED SHAREHOLDERS AS AT THE BOOKS CLOSURE DATE (AS DEFINED HEREIN), FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE “RIGHTS ISSUE”)

IMPORTANT DATES AND TIMES

Last date and time for splitting	:	07 July 2009 at 5.00 p.m.
Last date and time for acceptance and payment	:	13 July 2009 at 5.00 p.m. (9.30 p.m. for Electronic Applications (as defined herein) through ATMs (as defined herein) of Participating Banks (as defined herein))
Last date and time for renunciation and payment	:	13 July 2009 at 5.00 p.m.
Last date and time for excess application and payment	:	13 July 2009 at 5.00 p.m. (9.30 p.m. for Electronic Applications through ATMs of Participating Banks)

Capitalised terms used beneath which are not otherwise defined herein shall have the same meaning as ascribed to them under “Definitions” of this Offer Information Statement.

For Entitled Depositors, acceptances of the Rights Shares and/or (if applicable) applications for excess Rights Shares may be made through CDP or by way of Electronic Application at any ATM of a Participating Bank. For Entitled Scripholders, acceptances of the Rights Shares and (if applicable) applications for excess Rights Shares may be made through the Share Registrar, B.A.C.S. Private Limited.

The existing Shares are quoted on the Official List of the Main Board of SGX-ST.

Persons wishing to subscribe for the Rights Shares offered by this Offer Information Statement should, before deciding whether to so subscribe, carefully read this Offer Information Statement in its entirety in order to make an informed assessment of the assets and liabilities, profits and losses, financial position and performance and prospects of the Company and the Group and the rights and liabilities attaching to the Rights Shares. They should also make their own independent enquiries and investigations of any bases and assumptions, upon which financial projections, if any, are based and carefully consider this Offer Information Statement in the light of their personal circumstances (including financial and taxation affairs). It is recommended that such persons seek professional advice from their accountant, stockbroker, bank manager, lawyer or other professional advisers before deciding whether to acquire the Rights, the Rights Shares or invest in the Company.

No person has been authorised to give any information or to make any representations other than those contained in this Offer Information Statement in connection with the Rights Issue or the issue of the Rights Shares and, if given or made, such information or representations must not be relied upon as having been authorised by the Company. Save as expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Company or the Group. Neither the delivery of this Offer Information Statement nor the issue of the Rights Shares shall, under any circumstances, constitute a continuing representation, or give rise to any implication, that there has been no material change in the affairs of the Company or the Group or any of the information contained herein since the date hereof. Where such changes occur after the date hereof and are material, or are required to be disclosed by law or the SGX-ST, the Company may make an announcement of the same to the SGX-ST and, if required, lodge a supplementary or replacement document with the Authority. All Entitled Shareholders of the Company (and their renounees and purchasers of the provisional allotments of Rights Shares) should take note of any such announcement and, upon the release of such announcement or lodgement of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

The Company is not making any representation to any person regarding the legality of an investment in the Rights, the Rights Shares and/or the Shares by such person under any investment or any other laws or regulations. No information in this Offer Information Statement should be considered to be business, legal or tax advice. Each prospective investor should consult his own professional or other advisors for business, legal or tax advice regarding an investment in the Rights, the Rights Shares and/or the Shares.

Nothing in this Offer Information Statement or the accompanying documents shall be construed as a recommendation to accept or subscribe the Rights Shares. Prospective subscribers of the Rights Shares should rely on their own investigation of the financial condition and affairs, appraisal and determination of the merits of investing in the Company and the Group and shall be deemed to have done so.

This Offer Information Statement and the accompanying documents have been prepared solely for the purpose of the acceptance and subscription of the Rights Shares under the Rights Issue, and may not be relied upon by any persons other than Entitled Shareholders (and their renounees and purchasers

of the provisional allotments of Rights Shares) to whom these documents are despatched by the Company or for any other purpose.

This Offer Information Statement, including the PAL, the ARE and the ARS, may not be used for the purpose of, and do not constitute, an offer, invitation or solicitation by or on behalf of the Company to subscribe for any Rights or Rights Shares and/or may not be used for the purpose of, and do not constitute, an offer, invitation to or solicitation to anyone in any jurisdiction or under any circumstances in which such offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation.

The distribution of this Offer Information Statement and/or its accompanying documents may be prohibited or restricted by law (either absolutely or subject to various securities requirements, whether legal or administrative, being complied with) in certain jurisdictions. Entitled Shareholders or any other person having possession of this Offer Information Statement and/or its accompanying documents are advised by the Company to inform themselves of and observe such prohibitions and restrictions.

For investors who hold shares through a finance company or depository agent, the subscription of their rights entitlements must be done through the respective finance company or depository agent (in the case of investors who had bought shares under the CPF Investment Scheme – Ordinary Account (“CPFIS-OA”), the CPF agent bank). Any application made directly to the Central Depository (Pte) Ltd or through ATMs will be rejected.

Subscription for entitlements arising from shares acquired under the CPFIS-OA, where the entitlements are of a type included under the CPFIS-OA, can only be made using CPF funds. In the case of insufficient CPF funds or stock limit, the investor could top-up cash into his CPF Investment Account.

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DEFINITIONS

For the purpose of this Offer Information Statement, the PAL, the ARE and the ARS, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated:

<i>“Announcement Date”</i>	:	23 March 2009, being the date on which the Company announced the Rights Issue
<i>“ARE”</i>	:	Application and acceptance form for Rights Shares and excess Rights Shares to be issued to Entitled Depositors in respect of their provisional allotments of Rights Shares under the Rights Issue
<i>“ARS”</i>	:	Application and acceptance form for Rights Shares issued to purchasers of the provisional allotments of Rights Shares under the Rights Issue traded on the SGX-ST through the book-entry (scripless) settlement system
<i>“Associated Companies”</i>	:	A company in which at least 20% but not more than 50% of its shares are held by the Company or the Group
<i>“ATM”</i>	:	Automated teller machine
<i>“Authority” or “MAS”</i>	:	Monetary Authority of Singapore
<i>“Books Closure Date”</i>	:	5.00 p.m. on 24 June 2009, being the time and date at and on which the Register of Members and Share Transfer Books of the Company will be closed for the purpose of determining the provisional allotments of Rights Shares of Entitled Shareholders under the Rights Issue
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“Closing Date”</i>	:	5.00 p.m. on 13 July 2009, or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company, being the last time and date for acceptance and/or excess application and payment, and renunciation and payment of the Rights Shares under the Rights Issue through CDP or the Share Registrar; at 9.30 p.m. on 13 July 2009, or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company, being the last time and date for acceptance and/or excess application and payment of the Rights Shares under the Rights Issue through an ATM of a Participating Bank
<i>“Code”</i>	:	The Singapore Code on Take-overs and Mergers, as amended, modified and supplemented from time to time
<i>“Companies Act”</i>	:	The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
<i>“Company”</i>	:	Unionmet (Singapore) Limited
<i>“Concert Party Shareholders”</i>	:	Mr. Zeng Fuzu and Ultra Plus Ventures Ltd
<i>“CPF”</i>	:	Central Provident Fund

<i>“Directors”</i>	:	The directors of the Company as at the date of this Offer Information Statement, and “Director” means each or any one of them.
<i>“Electronic Application”</i>	:	Acceptance of the Rights Shares and (if applicable) application for excess Rights Shares made through an ATM of one of the Participating Banks in accordance with the terms and conditions of this Offer Information Statement
<i>“Entitled Depositors”</i>	:	Shareholders with Shares entered against their own names in the Depository Register maintained with CDP as at the Books Closure Date and whose registered addresses with CDP were in Singapore as at the Books Closure Date or who had, at least five (5) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents
<i>“Entitled Scripholders”</i>	:	Shareholders whose Shares were registered in their own names and whose registered addresses with the Company were in Singapore as at the Books Closure Date or who had, at least five (5) Market Days prior to the Books Closure Date, provided the Company with addresses in Singapore for the service of notices and documents
<i>“Entitled Shareholders”</i>	:	Entitled Depositors and Entitled Scripholders
<i>“Existing Share Capital”</i>	:	The existing issued and paid-up share capital of the Company as at the Latest Practicable Date of 368,132,397 Shares, excluding Treasury Shares
<i>“Foreign Shareholders”</i>	:	Shareholders with registered addresses outside Singapore as at the Books Closure Date, and who have not, at least five (5) Market Days prior to the Books Closure Date, provided to CDP or the Company, as the case may be, addresses in Singapore for the service of notices and documents
<i>“FY”</i>	:	Financial year ended or, as the case may be, ending 30 November
<i>“Group”</i>	:	The Company and its subsidiaries
<i>“Guangxi Crystal Union”</i>	:	Guangxi Crystal Union Photoelectric Materials Co., Ltd
<i>“Irrevocable Undertakings”</i>	:	The irrevocable undertakings given by the Concert Party Shareholders dated 23 March 2009 to, <i>inter alia</i> , subscribe and pay for and/or procure the subscription and payment for all their entitlement to the Rights Shares under the Rights Issue, comprising 41,801,847 Rights Shares
<i>“Issue Price”</i>	:	S\$0.02 per Rights Share
<i>“ITO”</i>	:	Indium-Tin-Oxide is a mixture of indium oxide and tin oxide, which is a transparent conducting oxide used commonly in microelectronics.
<i>“Latest Practicable Date”</i>	:	12 June 2009, being the latest practicable date preceding the date of lodgement of this Offer Information Statement

<i>“Listing Manual”</i>	:	The Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities
<i>“Maximum Subscription Scenario”</i>	:	The issued share capital of the Company comprising 368,132,397 Shares, assuming all the Entitled Shareholders subscribe for their entitled Rights Shares, and the Concert Party Shareholders subscribe for their respective entitled Rights Shares pursuant to the Irrevocable Undertakings
<i>“Minimum Subscription Scenario”</i>	:	The issued share capital of the Company comprising 368,132,397 Shares, assuming only the Concert Party Shareholders subscribe in full for their entitled Rights Shares pursuant to the Irrevocable Undertakings and none of the other Shareholders subscribe for they entitled Rights Shares and/or apply for excess Rights Shares, Ultra Plus Ventures Ltd subscribes for 203,619,751 Rights Shares under the Excess Application Undertaking
<i>“Participating Banks”</i>	:	DBS Bank Ltd (including POSB) (“DBS”), Oversea-Chinese Banking Corporation Limited (“OCBC Bank”) and United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited (the “UOB Group”)
<i>“PRC”</i>	:	The People’s Republic of China, for geographically reference only, and does not include the Special Administrative Regions of Hong Kong and Macau
<i>“Provisional Allotment Letter” or “PAL”</i>	:	Provisional allotment letter issued to Entitled Scripholders, setting out the provisional allotments of Rights Shares under the Rights Issue
<i>“Record Date”</i>	:	In relation to any dividends, rights, allotment or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or the Securities Account of the Shareholders must be credited with Shares, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
<i>“Rights”</i>	:	Rights to subscribe for two (2) Rights Shares for every three (3) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements being disregarded
<i>“Rights Issue”</i>	:	The proposed renounceable non-underwritten rights issue by the Company of up to 245,421,598 Rights Shares at the Issue Price, on the basis of two (2) Rights Shares for every three (3) existing Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded
<i>“Rights Shares”</i>	:	Up to 245,421,598 new Shares to be allotted and issued by the Company pursuant to the Rights Issue
<i>“Rongan”</i>	:	Rongan Union Zinc Industry Co., Ltd.

“Securities Account”	:	Securities account maintained by a Depositor with CDP but does not include a securities sub-account
“Securities and Futures Act” or “SFA”	:	Securities and Futures Act, Chapter 289 of Singapore, as amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares
“Share Registrar”	:	B.A.C.S. Private Limited
“Shares”	:	Ordinary shares in the share capital of the Company
“Share Transfer Books”	:	Share transfer books of the Company
“RMB”	:	PRC Renminbi
“S\$” and “cents”	:	Singapore dollars and cents, respectively
“UnionZinc”	:	Liuzhou Union Zinc Industry Co., Ltd.
“US\$” and “US cents”	:	United States dollars and United States cents, respectively
“1Q”	:	Financial Period ended or, as the case may be, ending 28 or 29 February
“%” or “per cent.”	:	Percentage or per centum

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in Section 130A of the Companies Act.

“**Subsidiary**” shall have the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Offer Information Statement, the PAL, the ARE or the ARS to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Listing Manual or the Singapore Code on Take-overs and Mergers (the “**Code**”), or any modification thereof and used in this Offer Information Statement, the PAL, the ARE or the ARS shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA, the Listing Manual or the Code, or such modification thereof, as the case may be.

Any reference to a time of day in this Offer Information Statement, the PAL, the ARE or the ARS shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in figures included in this Offer Information Statement between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Offer Information Statement may not be an arithmetic aggregation of the figures that precede them.

References in this Offer Information Statement to “**we**”, “**our**” and “**us**” refer to the Group.

ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE

Entitled Shareholders

Entitled Shareholders are entitled to participate in the Rights Issue and to receive this Offer Information Statement together with the ARE or the PAL, as the case may be, at their respective Singapore addresses. Entitled Depositors who do not receive this Offer Information Statement and the AREs may obtain them from CDP, the Share Registrar or any stockbroking firm for the period up to the Closing Date. Entitled Scripholders who do not receive this Offer Information Statement and the PALs may obtain them from the Share Registrar for the period up to the Closing Date.

Entitled Shareholders have been provisionally allotted Rights Shares under the Rights Issue on the basis of their shareholdings as at the Books Closure Date. Entitled Shareholders are at liberty to accept, decline or otherwise renounce or trade on the SGX-ST during the rights trading period prescribed by the SGX-ST their provisional allotments of Rights Shares and are eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue.

All dealings in and transactions of the provisional allotments of Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs which are issued to Entitled Scripholders will not be valid for delivery pursuant to trades done on the SGX-ST.

Foreign Shareholders

This Offer Information Statement has not been and will not be registered or lodged in any jurisdiction other than Singapore. The distribution of this Offer Information Statement may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in jurisdictions other than Singapore, the Rights Issue is only made in Singapore and this Offer Information Statement has not been and will not be despatched to Foreign Shareholders or to any jurisdiction outside Singapore.

Accordingly, Foreign Shareholders will not be entitled to participate in the Rights Issue. No provisional allotment of the Rights Shares will be made to Foreign Shareholders and no purported acceptance thereof or application therefor by Foreign Shareholders will be valid.

This Offer Information Statement will also not be despatched to persons purchasing the provisional allotments of Rights Shares through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore (“**Foreign Purchasers**”). Foreign Purchasers who wish to accept any provisional allotments of Rights Shares credited by CDP to their Securities Accounts with CDP should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

The Company further reserves the right to reject any acceptances of Rights Shares and/or applications for excess Rights Shares where it believes, or has reason to believe, that such acceptances and/or applications may violate the applicable legislation of any jurisdiction. The Company reserves the right to treat as invalid any ARE, ARS or PAL which (i) appears to the Company or its agents to have been executed in any jurisdiction outside Singapore which may violate the applicable legislation of such jurisdiction, (ii) provides an address outside Singapore for the receipt of the share certificate(s) for the Rights Shares or which requires the Company to despatch the share certificate(s) to an address in any jurisdiction outside Singapore, or (iii) purports to exclude any deemed representation or warranty.

If it is practicable to do so, the Company may, at its absolute discretion, arrange for provisional allotments of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the provisional allotments of Rights Shares commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the relevant expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register as at the Books Closure Date and sent to them at their own risk by ordinary post, provided that where the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit for the sole benefit of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP in connection therewith.

Where such provisional allotments of Rights Shares are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Company, may in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP in respect of such sales or the proceeds thereof, such provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments.

If such provisional allotments of Rights Shares cannot be or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the Rights Shares represented by such provisional allotments will be allotted and issued to satisfy excess applications or dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the sole benefit of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP in connection therewith.

Shareholders should note that the special arrangements described above will apply only to Foreign Shareholders.

Notwithstanding the above, Shareholders and any other person having possession of this Offer Information Statement are advised to inform themselves of and to observe all legal requirements applicable thereto. No person in any territory outside Singapore receiving this Offer Information Statement may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares unless such offer, invitation or solicitation could lawfully be made without violating any regulation or legal requirements in such territory.

The Rights Shares which are not otherwise taken up or allotted for any reason shall be used to satisfy excess Rights Shares applications as the Directors may, in their absolute discretion, deem fit in the interests of the Company. In the allotment of excess Rights Shares, preference shall be given to the rounding of odd lots, and Substantial Shareholders and Directors will rank last in priority.

The procedures for, and the terms and conditions applicable to, the acceptance, renunciation and/or sale of the provisional allotments of Rights Shares and the application for excess Rights Shares, including the different modes of acceptance or application and payment, are contained in Appendices A to D of this Offer Information Statement and in the PAL, the ARE and the ARS.

TRADING

Upon listing and quotation on the Official List of the SGX-ST, the Rights Shares will be traded under the book-entry (scripless) settlement system. All dealings in and transactions (including transfers) of the Rights Shares effected through the SGX-ST and/or CDP shall be made in accordance with the “Terms and Conditions for Operation of Securities Accounts with CDP” and the “Terms and Conditions for CDP to act as Depository for the Rights Shares”, as the same may be amended from time to time. Copies of the above are available from CDP.

To facilitate scripless trading, Entitled Scripholders and their renounees who wish to accept the Rights Shares provisionally allotted to them and (if applicable) apply for excess Rights Shares and who wish to trade the Rights Shares issued to them on the SGX-ST under the book-entry (scripless) settlement system should open Securities Accounts with CDP in their own names if they do not already maintain such Securities Accounts in order that the number of Rights Shares and, if applicable, the excess Rights Shares that may be allotted to them may be credited by CDP into their Securities Accounts. Entitled Scripholders and their renounees who wish to accept the Rights Shares and/or apply for excess Rights Shares and have their Rights Shares credited into their Securities Accounts must fill in their Securities Account numbers and/or National Registration Identity Card (“NRIC”)/passport numbers or registration numbers (for corporations) in the relevant forms comprised in the PAL. Entitled Scripholders and their renounees who fail to fill in their Securities Account numbers and/or NRIC/passport numbers or registration numbers (for corporations) or who provide incorrect or invalid Securities Account numbers and/or NRIC/passport numbers or registration numbers (for corporations) or whose particulars provided in the forms comprised in the PAL differ from those particulars in their Securities Accounts currently maintained with CDP will be issued physical certificates in their own names for the Rights Shares allotted to them and if applicable, the excess Rights Shares allotted to them. Such physical certificates, if issued, will not be valid for delivery pursuant to trades done on the SGX-ST under the book entry (scripless) settlement system, although they will continue to be *prima facie* evidence of legal title.

If an Entitled Scripholder’s address stated in the PAL is different from his address registered with CDP, he must inform CDP of his updated address promptly, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with CDP.

A holder of physical share certificates, or an Entitled Scripholder who has not deposited his share certificates with CDP but wishes to trade on the SGX-ST, must deposit with CDP the respective certificates, together with the duly executed instruments of transfer in favour of CDP, and have his Securities Account credited with the number of Rights Shares or existing Shares, as the case may be, before he can effect the desired trade.

Shareholders should note that most counters on the SGX-ST trade in board lot sizes of 1,000 shares.

Following the Rights Issue, Shareholders who hold odd lots of the Rights Shares (i.e less than 1,000 shares) and who wish to trade in odd lots on the SGX-ST should note that the Unit Share Market has been set up to allow trading of odd lots.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements contained in this Offer Information Statement, statements made in press releases and oral statements that may be made by the Company or its officers, Directors or employees acting on its behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by words such as, without limitation, “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or other similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group’s expected financial position, operating results, business strategies, plans and prospects are forward-looking statements. These forward-looking statements, including but not limited to statements as to the Group’s revenue and profitability, prospects, future plans and other matters discussed in this Offer Information Statement regarding matters that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group’s actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

Given the risks, uncertainties and other factors that may cause the Group’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, undue reliance must not be placed on these statements. The Group’s actual results, performance or achievements may differ materially from those anticipated in these forward-looking statements. Neither the Company nor any other person represents or warrants that the Group’s actual future results, performance or achievements will be as discussed in those statements.

Further, the Company disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future. However, the Company may make an announcement to the SGX-ST and if required, lodge a supplementary or replacement document with the Authority in the event, *inter alia*, that it becomes aware of a new development, event or circumstance that has arisen since the lodgement of this Offer Information Statement with the Authority that is materially adverse from the point of view of an investor or required to be disclosed by law and/or the SGX-ST. The Company is also subject to the provisions of the Listing Manual regarding corporate disclosure.

TAKE-OVER LIMITS

The Code regulates the acquisition of ordinary shares of public companies. Unless exempted, any person acquiring an interest, either on his own or together with parties acting in concert with him, of 30% or more of the voting rights in the Company or if such persons holds, either on his own or together with parties acting in concert with him, between 30% to 50% (both inclusive) of the voting rights in the Company, and acquires additional Shares representing more than 1% in any six-month period, must extend a take-over offer for the remaining voting Shares in the Company in accordance with the provisions of the Code.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Code as a result of any acquisition of Rights Shares pursuant to the Rights Issue should consult the Securities Industry Council and/or their professional advisers immediately.

**DISCLOSURE REQUIREMENTS UNDER THE SIXTEENTH SCHEDULE OF
THE SECURITIES AND FUTURES (OFFERS OF INVESTMENTS)
(SHARES AND DEBENTURES) REGULATIONS 2005**

PART I: IDENTITY OF DIRECTORS, ADVISERS AND AGENTS

Directors

1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity

Name of Directors	Address	Position
Meng Limin	54 Toh Tuck Road #02-07 Signature Park Singapore 596745	Executive Director & Chief Executive Officer
Huang Wei	2-1-2# Building 17 Lushan Garden, New High-Tech Development Zone, Liuzhou, Guangxi 545000 China	Non-Executive Chairman
Zeng Fuzu	18 Cactus Drive #01-05 Grande Vista Singapore 809691	Non-Executive Director & Co-Chairman
Huang Guozhi	Room 301, Building D, Yintian Jiayuan, No.1, Jiangjun Road, Liuyang City, Hunan Province, 410300 China	Non-Executive Director
Low Weng Keong	59 Sommerville Estate Road, Sommerville Park Singapore 258044	Independent Director
Kelvin Valery Chia Hoo Khun	8 Oak Avenue, Eden Park, Singapore 276767	Independent Director

Advisers

2. Provide the names and addresses of –

- (a) the issue manager to the offer, if any;**
- (b) the underwriter to the offer, if any; and**
- (c) the legal adviser for or in relation to the offer, if any.**

Manager to the Rights Issue	:	Not applicable as there is no issue manager to this Rights Issue
Underwriter	:	Not applicable as the Rights Issue is not underwritten
Legal Adviser	:	Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542

Registrars and Agents

3. Provide the names and addresses of the relevant entity's registrars, transfer agents and receiving bankers for the securities being offered, where applicable.

Share Registrar and Share Transfer Agent : B.A.C.S. Private Limited
63 Cantonment Road
Singapore 089758

Receiving Bankers : DBS Bank Limited
6 Shenton Way
DBS Building Tower 1
Singapore 068809

PART II: OFFER STATISTICS AND TIMETABLE

Offer Statistics

1. For each method of offer, state the number of the securities being offered.

Method of Offer : Renounceable non-underwritten Rights Issue of up to 245,421,598 Rights Shares on the basis of two (2) Rights Shares for every three (3) Shares held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded

Number of Rights Shares : Up to 245,421,598 Rights Shares

Method and Timetable

2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to –

- (a) the offer procedure; and
 - (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.
-

Please refer to Section 3 to Section 7 below.

3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgement of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.

Entitled Shareholders will receive this Offer Information Statement together with the ARE or the PAL, as the case may be, at their respective Singapore addresses.

Entitled Shareholders will be provisionally allotted the Rights Shares and are at liberty to accept, decline, renounce or trade their provisional allotments on the SGX-ST. The important dates and times for the Rights Issue are as follows:

Last date and time for splitting Rights	:	07 July 2009 at 5.00 p.m.
Last date and time for acceptance and payment for Rights Shares ⁽¹⁾	:	13 July 2009 at 5.00 p.m.
Last date and time for renunciation and payment for Rights Shares	:	13 July 2009 at 5.00 p.m.
Last date and time for excess application and payment for excess Rights Shares	:	13 July 2009 at 5.00 p.m.

Note:

(1) The last date and time for acceptance and/or excess application and payment through an ATM of a Participating Bank is 13 July 2009 at 9.30 p.m.

The above timetable may be subject to such modifications as the Company may, with the approval of SGX-ST, decide, subject to any limitation under any applicable laws. As at the Latest Practicable Date, the Company does not expect the timetable to be modified.

The Company will publicly announce any changes in the Closing Date through a SGXNET announcement to be posted on the internet at the SGX-ST website <http://www.sgx.com>

Please refer to Appendices A to D of this Offer Information Statement for details of the procedures for acceptance and/or application of, and payment for, the Rights Shares under the Rights Issue.

4. State the method and time limit for paying up for the securities and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.

The Rights Shares are payable in full upon acceptance and/or application. Please refer to Appendices A to D of this Offer Information Statement for details of the procedures for acceptances and/or application of, and payment for, the Rights Shares under the Rights Issue.

5. State, where applicable, the methods of and time limits for –

- (a) the delivery of the documents evidencing title to the securities being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**
 - (b) the book-entry transfers of the securities being offered in favour of subscribers or purchasers.**
-

The Rights Shares will be provisionally allotted to Entitled Shareholders on or about 26 June 2009 by crediting the provisional allotments to Entitled Depositors or through the despatch of the relevant PALs to Entitled Scripholders.

In the case of Entitled Scripholders and their renounees with valid acceptances and successful applications of excess Rights Shares and who have, *inter alia*, failed to furnish or furnished

incorrect or invalid Securities Account numbers in the relevant form in the PAL, share certificates representing such number of Rights Shares will be sent by registered post, at their own risk, to their mailing addresses in Singapore as maintained with the Share Registrar within ten Market Days after the Closing Date.

In the case of Entitled Depositors and Entitled Scripholders and their renounees (who have furnished valid Securities Account numbers in the relevant form comprised in the PAL) with valid acceptances and successful applications of excess Rights Shares, share certificate(s) representing such number of Rights Shares will be sent to CDP within ten Market Days after the Closing Date and CDP will thereafter credit such number of Rights Shares to their relevant Securities Accounts. CDP will then send a notification letter to the relevant subscribers stating the number of Rights Shares credited to their Securities Account.

It is expected that the issuance of the share certificates as described above will take place on 21 July 2009, but the Company will make an announcement on the date on which (a) the share certificates will be dispatched; and (b) the crediting of the relevant Securities Account (as the case may be) will take place.

The expected timetable of key events is as follows:

Shares trade ex-Rights	:	22 June 2009 from 9.00 a.m.
Book Closure Date	:	24 June 2009 at 5.00 p.m.
Despatch of Offer Information Statement to Entitled Shareholders	:	29 June 2009
Commencement of trading of "nil-paid" Rights	:	29 June 2009 from 9.00 a.m.
Last day and time for trading of "nil-paid" Rights	:	07 July 2009 at 5.00 p.m.
Expected date for issuance of Rights Shares	:	21 July 2009
Expected date for commencement of trading of Rights Shares	:	22 July 2009

6. In the case of any pre-emptive rights to subscribe for or purchase the securities being offered, state the procedure for the exercise of any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.

Not applicable.

7. Provide a full description of the manner in which results of the allotment or allocation of the securities are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).

The Company will announce the results of the allotment or allocation of the Rights Shares, as soon as it is practicable after the Closing Date, through a SGXNET announcement to be posted on the Internet at the SGX-ST website <http://www.sgx.com>.

Please refer to Appendices A to C of this Offer Information Statement for details of refunding excess amounts paid by applicants.

PART III: KEY INFORMATION

Use of Proceeds from Offer and Expenses Incurred

1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.
-

Please refer to Section 2 to Section 7 below.

2. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 3 of this Part as the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.
-

Assuming that the Rights Issue is fully subscribed to, the estimated net proceeds of the Rights Issue, after deducting estimated expenses of approximately S\$0.13 million, will amount to approximately S\$4.78 million.

3. Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities.
-

The Company intends to utilise the full amount of the proceeds from the Rights Issue to strengthen its capital base, support its business development and provide liquidity for business expansion through acquisitions, joint ventures and collaborations as and when opportunities arise.

Pending the deployment of the net proceeds for the purposes mentioned above, the net proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, as the Directors may deem appropriate in the interests of the Company and its subsidiaries.

4. For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.
-

Based on the intended use of the proceeds from the Rights Issue as described in Section 3 of Part III above, for each dollar of the gross proceeds from the Rights Issue:

For each dollar of the gross proceeds raised from the Rights Issue of S\$4.91 million:

- (a) approximately S\$4.78 million, representing 97.35% of gross proceeds raised, will be allocated for the intended use described in Section 3 of Part III above; and
- (b) approximately S\$0.13 million, representing 2.65% of gross proceeds raised, will be used to pay for expenses incurred in connection with the Rights Issue.

5. If any of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business, briefly describe the asset and state its purchase price. If the asset has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined.

Not applicable as the net proceeds from the Rights Issue will not be used, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business.

6. If any of the proceeds to be raised by the relevant entity will be used to finance or refinance the acquisition of another business, briefly describe the business and give information on the status of the acquisition.

Not applicable as the net proceeds from the Rights Issue will not be used to finance or refinance the acquisition of another business.

7. If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.

Not applicable as the net proceeds from the Rights Issue will not be used to discharge, reduce or retire the indebtedness of the relevant entity.

8. In the section containing the information referred to in paragraphs 2 to 7 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters or other placement or selling agents in relation to the offer and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.

Not applicable as there are no underwriters, placement or selling agents appointed for the Rights Issue.

Information on the Relevant Entity

9a. the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office);

Registered office and principal place of business	:	80 Raffles Place #42-03, UOB Plaza 1, Singapore 048624
Telephone number	:	(65) 6534 3533
Facsimile number	:	(65) 6438 0543

9b. the nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group;

Principal Business Activities

The Group is principally engaged in the production and sale of indium ingots. It also engages in the sale of by-products, such as zinc ingots, zinc carbonate, zinc sulphates and rotary kiln powder, derived from the indium slag and strip liquor extraction processes. The Company, which is principally engaged in the sale of non-ferrous metals, was established as the holding company of the Group and undertakes the overseas marketing and sales activities of the Group in relation to its products. The Group operates in two main geographical areas, namely Singapore and PRC. It includes two subsidiaries in the PRC to undertake the production of indium ingots and the extraction of indium slag and strip liquor, from which the Group derives its by-products.

As at the Latest Practicable Date, the subsidiaries of the Group and their principal activities are as follows:–

Name of Company	Principal activities	Country of incorporation and place of business	Effective equity held by the Group %
<u>Held by the Company</u>			
Liuzhou Union Zinc Industry Co., Ltd.	Smelting and selling non-ferrous metals and related by-products	PRC	100
Guangxi Intai Technology Co., Ltd.	Smelting and selling non-ferrous metals and related by-products	PRC	100
Guangxi Crystal Union Photoelectric Materials Co., Ltd.	Manufacturing and selling of photoelectric materials	PRC	100
<u>Held through Liuzhou Union Zinc Industry Co., Ltd.</u>			
Rongan Union Zinc Industry Co., Ltd	Smelting and sales of non-ferrous metals and related by-products	PRC	100

9c. the general development of the business from the beginning of the period comprising the 3 most recent completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since –

- (i) the end of the most recent completed financial year for which financial statements of the relevant entity have been published; or**
 - (ii) the end of any subsequent period covered by interim financial statements, if interim financial statements have been published;**
-

General Development of the Group's business during FY2006, FY2007, FY2008 and in the period from 1 December 2008 to the Latest Practicable Date:

FY2006

Due to the anticipated increase in demand for indium and zinc related products, the Group entered into an exclusive supply agreement with the Liuzhou Nonferrous Group in August 2006 to ensure that the Liuzhou Nonferrous Group sells its indium slag to Intai on a long-term basis with effect from the date of the contract. Prices would be determined at the point of sale.

The Group also entered into various lease agreements for the production facilities for the extraction of indium slag and strip liquor, production of indium and zinc related products with Liuzhou Nonferrous. The above provided for the current production capacity for the following:

1. Indium – 25 tonnes
2. Zinc sulphates – 6,000 tonnes
3. Zinc ingots – 7,500 tonnes
4. Zinc carbonate – 5,000 tonnes

On 09 February 2006, UnionZinc attained the ISO 9001:2000 certification for production, sales and service in relation to zinc oxide and zinc carbonate.

In FY2006, the Group's "INTAI" brand was awarded "Famous Brand Products of Guangxi".

The Group enjoyed a 13% export tax rebate on indium for FY2006. However, 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.

On 24 November 2006, the convertible loans from CIM IV Limited and Asean China Investment Fund L.P. were converted into 52,427,796 shares pursuant to the exercise of their conversion rights.

FY2007

On 19 December 2006, the PRC government announced that the export of unwrought indium, indium waste and indium powder would be levied a 15% export tariff with effect from 01 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.

On 22 December 2006, the PRC government announced that the export of 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 01 January 2007. Accordingly, the Group applied to the Ministry of Commerce or its authorised department and obtained an export permit and relevant password for each batch of products that the Group wished to export.

The Group was listed on the Main Board of SGX-ST on 31 January 2007.

The Group incorporated a new wholly-owned subsidiary, Guangxi Crystal Union, in the PRC and begun building a new factory to undertake the production and sale of photoelectric materials such as ITO. The research and development of ITO was still in progress.

FY2008

The Group discontinued some leased production lines for the extraction of indium slag and strip liquor in one of our key subsidiaries which led to a reduction in production capacity of certain by-products and indium. Sales of our other by-products such as zinc carbonate, zinc sulphates and zinc liquid have also been affected.

The Group incorporated a new wholly-owned subsidiary, Rongan in the PRC to undertake the production and sale of zinc-related products.

The industry that the Group is operating in is currently subject to uncertain demand and significant pricing volatility of indium and zinc.

Due to tough business environment, volatile commodity prices and escalating cost pressures, the Group's revenue decreased from US\$6.9 million in FY2007 to US\$29.8 million in FY2008 and recorded a net loss of US\$7.2 million in FY2008 compared to a net profit of US\$2.6 million in FY2007.

In the period from 01 December 2008 to the Latest Practicable Date

In light of the current challenging economic situation and for cost rationalization purpose, the Group had recently announced the following:

- (1) The production plant of UnionZinc, which is used to produce zinc ingots, will remain closed indefinitely. During the interim period, a third party producer, Yinshan in the PRC, has been engaged to process the Group's existing raw materials inventory and work-in-progress to zinc ingots for sale to its customers;
- (2) The cessation of rental and operation of the production plant of Rongan; and
- (3) The production plant at Intai that was shut down for 45 days had resumed its activities on 13 February 2009.

The Group has also deferred the production and sales of Indium Tin Oxide ("ITO") while research and development work will continue to bring the right product specifications to meet the requirements of our targeted market segments.

The Group's Chairman relinquished his role as Chief Executive Officer ("CEO") of the Company on 20 January 2009 to focus on strategic business opportunities during these difficult economic times. Mr Meng Limin, an Executive Director and Chief Operating Officer ("COO") of the Company took over the role as CEO.

Save as disclosed in this Offer Information Statement and in public announcements released by the Company, there has been no material change to the affairs of the Group since the last audited accounts of the Group for FY2008 up to the Latest Practicable Date.

9d. the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing –

- (i) in the case of the equity capital, the issued capital; or
 - (ii) in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon;
-

As at the Latest Practicable Date, the share and loan capital of the Company comprise:

Issued and Paid-Up Share Capital	:	US\$29,523,617 comprising 368,132,397 Shares
Loan Capital	:	None

9e. where –

- (i) the relevant entity is a corporation, the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date; or**
- (ii) the relevant entity is not a corporation, the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the latest practicable date;**

Based on information in the Register of Substantial Shareholders maintained by the Company pursuant to Section 88 of the Companies Act as at the Latest Practicable Date, the Substantial Shareholders and the number of Shares in which they have an interest are as follows:

	Direct Interest		Deemed Interest	
	Number of shares	%	Number of shares	%
Substantial Shareholders				
Huang Wei ⁽¹⁾	–	–	73,014,555	19.83
Zeng Fuzu ⁽²⁾	56,035,151	15.22	6,667,620	1.81
Huang Guozhi ⁽³⁾	–	–	47,733,339	12.97
Grasmere Park Limited ⁽¹⁾	73,014,555	19.83	–	–
Precious Stream Holdings Limited ⁽³⁾	–	–	47,665,014	12.95
Chen Cong ⁽⁴⁾	–	–	20,753,936	5.64

Notes:

- (1) Huang Wei owns 100% of Grasmere Park Limited (“Grasmere”) and is deemed to be interested in the 73,014,555 shares held by Grasmere in the share capital of the Company.
- (2) Zeng Fuzu owns 100% of Ultra Plus Ventures Ltd (“Ultra Plus”) and is deemed to be interested in the 6,667,620 shares held by Ultra Plus in the share capital of the Company.
- (3) Precious Stream Holdings Limited (“Precious”) is 100% owned by Huang Guozhi and has a deemed interest in 47,665,014 shares registered in the name of DBS Nominees Pte Ltd. Huang Guozhi is deemed interested in shares held by Precious and has a deemed interest totalling 47,733,339 shares registered in the name DBS Nominees Pte Ltd.
- (4) Chen Cong has a deemed interest in 20,753,936 shares held in the name of DBS Nominees Pte Ltd.

9f. any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgement of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group;

The Group is not involved in any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the last 12 months immediately preceding the date of lodgement of this Offer Information Statement, a material effect on the Group’s financial position or profitability.

9g. where any securities or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date –

- (i) if the securities or equity interests have been issued for cash, state the prices at which the securities have been issued and the number of securities or equity interests issued at each price; or**
- (ii) if the securities or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities or equity interests; and**

The Company has not issued any securities or equity interests within the 12 months immediately preceding the Latest Practicable Date.

9h. a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgement of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.

The dates of, parties to and general nature of all material contracts entered into by the Group, not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group, for the period of two years before the date of lodgement of this Offer Information Statement are as follows:

1. the lease agreement dated 17 March 2008 made between the Company and Benfield Asia Pte Ltd in relation to the lease of 80 Raffles Place #42-03 UOB Plaza 1 Singapore 048624 as office of the Company;
2. the Futures Broker Contract dated 08 May 2007 between China International Futures Co., Ltd and UnionZinc in relation to the hedging of the Group's zinc related products;
3. the lease agreement for production facilities at No. 17 Baiyun Road, Liuzhou dated 14 September 2007 entered into between Liuzhou Nonferrous and Guangxi Crystal Union;
4. the consulting agreement for research and development of ITO targets dated 17 May 2008 entered into between Guangxi Crystal Union and Spread Birch Development Limited;
5. the lease agreement of all workshops, production, living facilities and railway facilities in Siliu Industry Park for producing sulfuric acid, electrolytic zinc ingots and zinc oxide dated 30 June 2008 between Guangxi Siliu Metallurgical & Chemical Smelting Co., Ltd and UnionZinc, with effect from 01 July 2008;
6. the commissioned processing agreement for processing zinc ingots dated 19 February 2009 entered into between UnionZinc and Liuzhou Yinshan Smelter;
7. the commissioned processing agreement for processing zinc sheets into zinc ingots dated 30 November 2007 entered into between UnionZinc and Yinshan Smelting Plant; and

8. the zinc import and export agreement dated 02 February 2009 entered into between Shanghai Pu Hong Da Metal Trading Co., Ltd and UnionZinc for the import of 2,000 tonnes of zinc concentrates and the shorting in the Shanghai Futures Exchange at a price determined by UnionZinc.

Save for the above mentioned material contracts, the Company and its subsidiaries have not entered into any material contracts not being contracts entered into in the ordinary course of business, within the two preceding years before the date of lodgement of this Offer Information Statement.

PART IV: OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Operating Results

1. **Provide selected data from –**
 - (a) **the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recent completed financial years) for which that statement has been published; and**
 - (b) **any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.**
 2. **The data referred to in paragraph 1 of this Part shall include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and shall in addition include the following items:**
 - (a) **dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;**
 - (b) **earnings or loss per share; and**
 - (c) **earnings or loss per share, after any adjustment to reflect the sale of new securities.**
-

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The audited consolidated income statements of the Group for the last three financial years ended FY2006, FY2007, FY2008 and the unaudited consolidated income statement of the Group for the three months period ended 28 February 2009 ("1Q2009") are set out below:

	Unaudited 1Q2009 US\$'000	Audited FY2008 US\$'000	Audited FY2007 US\$'000	Audited FY2006 US\$'000
Revenue	2,042	29,820	46,934	57,265
Cost of sales	(3,875)	(34,682)	(41,268)	(44,961)
Gross (loss)/profit	(1,833)	(4,862)	5,666	12,304
Other income	26	2,275	1,213	275
Selling and distribution expenses	(53)	(354)	(249)	(409)
General and administrative expenses	(979)	(3,968)	(3,331)	(2,390)
Other expenses	(229)	(388)	(88)	(35)
Finance costs	(2)	(11)	(127)	(209)
(Loss)/profit before tax	(3,070)	(7,308)	3,084	9,536
Income tax	61	110	(447)	(35)
(Loss)/profit after tax	(3,009)	(7,198)	2,637	9,501
Attributable to:				
Equity holders of the Company	(3,009)	(7,198)	2,637	9,501
(LPS)/EPS (cents) ⁽¹⁾	(0.82)	(1.96)	0.75	4.34
(LPS)/EPS after the Rights Issue (cents) ⁽²⁾	(0.49)	(1.17)	0.44	2.05

Notes:

- (1) (LPS)/EPS has been computed based on the Group's profit attributable to equity holders of the Company for the respective financial years/periods and the weighted average number of Shares in issue of 218,735,089 Shares during FY2006, 351,146,095 Shares during FY2007 and 368,132,397 Shares during FY2008 and 1Q2009 respectively.
- (2) The (LPS)/EPS as adjusted for the rights issue were computed based on the weighted average number of Shares in issue during FY2006, FY2007, FY2008 and 1Q2009 and assuming that the maximum Rights Shares are subscribed for and do not take into account the effects of the use of proceeds from the Rights Issue on the earnings of the Group.

3. In respect of –

(a) each financial year (being one of the 3 most recent completed financial years) for which financial statements have been published; and

(b) any subsequent period for which interim financial statements have been published,

provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

1Q2009 versus 1Q2008

Revenue

The Group's total revenue decreased by approximately US\$2.0 million from approximately US\$4.0 million in the quarter ended 29 February 2008 ("1Q2008") to approximately US\$2.0 million in the quarter ended 28 February 2009 ("1Q2009") due to the following:

- (a) The discontinuation of some leased production lines for the extraction of indium slag and strip liquor by one of the Group's key subsidiaries during the third quarter of 2008 which led to a reduction in production capacity of by-products; and
- (b) The decrease in market prices of zinc related products.

Gross Loss Margin

The Group recorded a gross loss margin of 89.8% in 1Q2009, compared with a gross loss margin of 58.8% in 1Q2008, due mainly to the following:

- (a) The decrease in market prices of zinc related products. According to the London Metal Exchange, the average price of zinc decreased by approximately 37.4% from approximately US\$2,428 per tonne in 1Q2008 to approximately US\$1,519 per tonne in 1Q2009. This in turn caused the average selling prices of the Group's zinc related products to decline thus affecting the gross margin; and
- (b) Cost of sales in 1Q2009 includes a write down of approximately US\$2.4 million for the Group's indium inventories as a result of the downward trend in market prices compared to US\$2.0 million in 1Q2008. The market price of indium, based on the Metal Bulletin's average market prices, had fallen since the last financial year. The average price of indium decreased by approximately 27.8% from approximately US\$529.0 per kilogram in 1Q2008 to approximately US\$382.0 per kilogram in 1Q2009.

The indium inventory write-down was partially offset by a write-back of zinc-related inventories amounting to US\$1.1 million in 1Q2009 due to the increase in zinc prices to approximately US\$1,519 per tonne in 1Q2009 compared to approximately US\$1,400 per tonne as at 30 November 2008.

Other Income

Other income had decreased by approximately US\$0.31 million from US\$0.34 million in 1Q2008 to US\$0.03 million in 1Q2009 due mainly to net losses on derivative financial instruments of US\$0.2 million in 1Q2009 compared to net realised gains on derivative financial instruments of US\$0.1 million in 1Q2008 and lower interest income earned from placement of overnight deposits with financial institutions caused by a decrease in average rates.

Operating Expenses

Higher operating expenses were mainly attributable to increased general and administrative expenses.

General and administrative expenses increased by approximately US\$0.3 million from approximately US\$0.7 million in 1Q2008 to approximately US\$1.0 million in 1Q2009 due mainly to higher general and administrative expenses such as rental, salaries, consultancy fees and depreciation from Guangxi Crystal Union and Rongan.

Selling & distribution expenses did not correspondingly decrease with the decrease in revenue mainly due to higher transportation costs incurred in the selling of by-products such as zinc ingots to 3rd parties.

Income Tax

The decrease in income tax of 86.4% from approximately US\$0.4 million to approximately US\$0.1 million is mainly due to deferred tax asset recognised by the Company in 1Q2008 resulting from the inventory write down of the indium products that has since been reversed in FY2008. No deferred tax asset has been recognized with respect to the inventories write down of our indium products by the Company in 1Q2009.

Loss After Tax

As a result of the aforementioned, the Group recorded a loss after tax of approximately US\$3.0 million in 1Q2009 compared to a loss after tax of US\$2.5 million in 1Q2008.

FY2008 versus FY2007

Revenue

The Group's total revenue decreased by approximately US\$17.1 million from US\$46.9 million in FY2007 to US\$29.8 million in FY2008. The decrease was mainly due to the reduction in sales of by-products of the Group caused by a decrease in market prices of zinc related products.

The decrease was partially offset by an increase in indium quantity sold, from 3.8 MT in FY2007 to 11.5MT in FY2008. However, the sales price of indium were affected due to lower average market prices of indium resulting in lower value of sales.

Net Profit Margin

The Group recorded a net loss margin of 24.1% in FY2008 compared to a net profit margin of 5.6% in FY2007, due mainly to the following:

- (a) Lower margins from the sales of the Group's indium as a result of lower market prices. According to the Metal Bulletin, average market prices of indium decreased by approximately 18.1% from US\$692.0 per kilogram in FY2007 to US\$566.9 per kilogram in FY2008;
- (b) The decrease in market prices of zinc related products. In addition, the discontinuation of some leased production lines for the extraction of indium slag and strip liquor by one of the Group's key subsidiaries further led to a reduction in production capacity of by-products. According to London Metal Exchange, the average market prices of zinc decreased by approximately US\$2,200 from approximately US\$3,600 per tonne in FY2007 to approximately US\$1,400 per tonne in FY2008. This in turn caused the average selling prices and margins of the Group's zinc related products such as zinc ingots to decline;
- (c) Cost of sales comprised inventories write-down of zinc related products, indium inventories and cost of the Group's indium and zinc related products sold.

A write down of approximately US\$1.7 million and US\$2.0 million for the Group's zinc related products and indium inventories, respectively, was made as a result of the downward trend in market prices compared to US\$0.1 million in FY2007.

The higher cost of sales of by-products arose from an increase in production overhead such as water and electricity, higher rental costs and repair and maintenance costs from a new subsidiary, Rongan, for newly leased production lines of electrolytic zinc, zinc sulphates, sulphuric acid and auxiliary supplies such as coal; and

- (d) Higher operating expenses were mainly attributable to increased general, administrative and other expenses resulting mainly from Rongan.

Other Income

Other income had increased by approximately US\$1.1 million from US\$1.2 million in FY2007 to US\$2.3 million in FY2008 mainly due to the net gains on derivative financial instruments of US\$1.9 million. The increase was partially offset by the following:

- (a) Net foreign exchange gain of US\$0.4 million in FY2007 compared to a net foreign exchange loss of US\$0.2 million in FY2008; and
- (b) Lower interest income earned from placement of overnight deposits with financial institutions caused by a decrease in average interest rates.

Operating Expenses

Selling and distribution expenses included transportation and travel expenses, salaries and others. Higher selling and distribution expenses were due mainly to higher transportation costs incurred in the selling of by-products such as zinc ingots and strip liquor to 3rd party and for other sales.

General and administrative expenses increased by approximately US\$0.7 million, from approximately US\$3.3 million in FY2007 to approximately US\$4.0 million in FY2008 due mainly to higher social and assets insurance expenses for the Group's subsidiaries in the PRC as a result of upward revision of premiums in July 2008, office rental for Singapore office space, professional fees for the evaluation of merger & acquisition targets, expenses associated with those discontinued production lines such as staff termination benefits and cleaning costs, general and administrative expenses from the new subsidiaries, Guangxi Crystal Union and Rongan.

Other expenses of US\$0.4 million in FY2008 were higher compared with US\$0.1 million in FY2007. The increase was mainly attributable to the loss on disposal and write off of fixed assets amounting to approximately US\$0.2 million in FY2008. The latter resulted from the discontinuation of some leased production lines for the extraction of indium slag and strip liquor by one of the Group's key subsidiaries compared to US\$0.027 million in FY2007.

Finance Cost

Finance cost decreased due to a reduction in bills financing in FY2008 compared to FY2007.

(Loss)/Profit After Tax

As a result of the aforementioned, the Group recorded a loss after tax of approximately US\$7.2 million in FY2008, compared to a profit after tax of approximately US\$2.6 million in FY2007.

FY2007 versus FY2006

Revenue

The Group's total revenue decreased by approximately US\$10.3 million from US\$57.3 million in FY2006 to US\$46.9 million in FY2007. The decrease was mainly due to the following:

- (i) A decline in indium quantity sold, from 27.6MT in FY2006 to 3.8MT in FY2007. Compared to 17.8MT of indium was sold in the 2nd half of FY2006, no indium was sold in the 2nd half of FY2007 because the market price was too low and the Company had decided not to sell at such low prices. The average market price of indium declined from US\$832.0 per kilogram in FY2006 to US\$692.0 per kilogram in FY2007; and
- (ii) A decline in the production of by-products since the second half of FY2007 as a subsidiary of the Group underwent repair and maintenance work of its machinery equipment.

Net Profit Margin

The Group experienced a drop in net profit margin from 16.6% in FY2006 to 5.6% in FY2007, due to the following:

- (a) A decline in gross profit margin of indium ingots from approximately 33% in FY2006 to 11.3% in FY2007 was due mainly to:
 - (i) A decrease in the average market prices of indium (based on Metal Bulletin's average prices), from US\$832.0 per kilogram in FY2006 to US\$692.0 per kilogram in FY2007. As such, only 3.8 MT indium was sold in FY2007 as compared to 27.6 MT of indium sold in FY2006, and was mainly due to the Company's decision not to sell indium at market price which was very low;
 - (ii) A decline in the production of by-products since the 2nd half of FY2007 as a subsidiary of the Group underwent repair and maintenance work of its machinery equipment;
 - (iii) The 15% export tariff levied by the government of the PRC on indium ingots with effect from 01 January 2007; and
 - (iv) The removal of 13% export tax rebate on indium ingots with effect from 14 September 2006.
- (b) The decrease in gross profit margin of indium ingots was partially offset by the slight increase in the gross profit margin of by-products from 8.0% in FY2006 to 11.1% in FY2007 and was due mainly to the reduction in average costs of production resulting from economies of scale.

Other Income

Other income had increased by approximately US\$0.9 million from US\$0.3 million in FY2006 to US\$1.2 million in FY2007 and was due mainly to an increase in interest income earned from placement of overnight deposits with banks of US\$0.5 million, net exchange gains of US\$0.3 million and unrealised gains on derivative financial instruments of US\$0.1 million.

Operating Expenses

Selling and distribution expenses included transportation and travel expenses, salaries and wages and sales commission to agents. The selling and distribution expenses decreased by US\$0.2 million from US\$0.4 million in FY2006 to US\$0.2 million in FY2007, due mainly to lower transportation costs incurred in selling zinc ingots in FY2007 and in line with the decline in sales of indium ingots. Since the 3rd quarter of FY2006, the Group no longer sells zinc ingots to third parties but to the Group's related party, Liuzhou Nonferrous Group.

General and administrative expenses had increased by US\$0.9 million from US\$2.4 million in FY2006 to US\$3.3 million in FY2007 and were due mainly to higher director's fees and salary related expenses.

Profit After Tax

As a result of the aforementioned, the Group's net profit after tax decreased by US\$6.9 million from US\$9.5 million in FY2006 to US\$2.6 million in the FY2007.

Financial Position

- 4. Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of –**
 - (a) the most recent completed financial year for which audited financial statements have been published; or**
 - (b) if interim financial statements have been published for any subsequent period, that period.**

 - 5. The data referred to in paragraph 4 of this Part shall include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and shall in addition include the following items:**
 - (a) number of shares after any adjustment to reflect the sale of new securities;**
 - (b) net assets or liabilities per share; and**
 - (c) net assets or liabilities per share after any adjustment to reflect the sale of new securities.**
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The audited consolidated balance sheet of the Group as at 30 November 2008 and the unaudited consolidated balance sheet of the Group as at 28 February 2009 is set out in the table below:

	Unaudited As at 29 February 2009 US\$'000	Audited As at 30 November 2008 US\$'000
ASSETS		
<i>Non-current assets</i>		
Property, plant and equipment	3,292	3,393
Deferred tax assets	225	220
	3,517	3,613
<i>Current assets</i>		
Cash on hand and at bank	15,387	17,629
Trade receivables	1,312	1,048
Other receivables and prepayments	3,555	3,375
Derivative financial instruments	92	238
Inventories	11,279	14,285
Tax refund	18	–
	31,643	36,575
LIABILITIES		
<i>Current liabilities</i>		
Trade payables	850	1,344
Other payables	733	2,086
Tax payables	–	4
	1,583	3,434
Net current assets	30,060	33,141
<i>Non-current liabilities</i>		
Deferred tax liabilities	27	57
Net Assets	33,550	36,697
EQUITY		
Share capital	29,524	29,524
Reserves	4,026	7,173
Total equity	33,550	36,697
Number of issued Shares	368,132,397	368,132,397
Number of Shares after the Rights Issue	613,553,995	613,553,995
NTA per Share before the Rights Issue (cents) ⁽¹⁾	9.11	9.97
NTA per Share after the Rights Issue (cents) ⁽²⁾	5.47	5.98

Note:

- (1) The NTA per Share was calculated based on 368,132,397 Shares as at the Latest Practicable Date.
- (2) The NTA per Share was calculated based on 613,553,995 Shares after adjusting the issuance of 245,421,598 Rights Shares pursuant to the Rights issue assuming that the Rights Issue has been fully subscribed and does not take into account the effects of the proceeds from the Rights Issue.

Liquidity and Capital Resources

6. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of –

- (a) the most recent completed financial year for which financial statements have been published; and
- (b) if interim financial statements have been published for any subsequent period, that period.

An evaluation of the material resources and amount of cash flows from operating, investing and financing activities of the Group are set out below:

	Unaudited 1Q2009 US\$'000	Audited FY2008 US\$'000
Cash flows from operating activities		
Loss before tax	(3,070)	(7,309)
Adjustments for:		
Depreciation of property, plant and equipment	76	311
Write-off of property, plant and equipment	–	168
Loss on disposal of property, plant and equipment	–	10
Interest income from bank deposits	(19)	(352)
Interest expense on bills financing	2	11
Net unrealised loss/(gain) on derivative financial instruments	144	(89)
Inventory write down	1,275	3,684
Goodwill on consolidation written off	–	29
Foreign currency translation	(106)	1,476
Operating cash flow before working capital changes	(1,698)	(2,061)
Increase in trade receivables	(264)	(705)
Increase in other receivables and prepayments	(180)	(321)
Decrease in inventories	1,730	2,753
(Decrease)/increase in trade payables	(494)	1,172
(Decrease)/increase in other payables	(1,352)	806
Cash flows generated from/(used in) operations	(2,258)	1,644
Income tax received/(paid)	4	(155)
Interest received	19	352
Interest paid	(2)	(11)
Net cash flow generated from/(used in) operating activities	(2,237)	1,830
Cash flows from investing activities		
Purchase of property, plant and equipment	(5)	(2,298)
Proceeds from disposal of property, plant and equipment	–	15
Net cash flows used in investing activities	(5)	(2,283)
Net decrease in cash on hand and at bank	(2,242)	(453)
Cash on hand and at bank at the beginning of financial period/year	17,629	18,082
Cash on hand and at bank at the end of financial period/year	15,387	17,629

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7. **Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgement of the offer information statement, is sufficient for present requirements and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided.**
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In the reasonable opinion of the Directors, after taking into consideration the Group's internal sources of funds and the resources available to the Group, the working capital available to the Group as at the date of this Offer Information Statement is sufficient to meet its present requirements.

8. **If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities in the relevant entity, provide –**
- (a) a statement of that fact;**
 - (b) details of the credit arrangement or bank loan; and**
 - (c) any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).**
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Not Applicable. The Group does not have any banking and/or credit facilities.

Trend Information and Profit Forecast or Profit Estimate

9. **Discuss, for at least the current financial year, the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, as well as any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.**
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BUSINESS AND FINANCIAL PROSPECTS OF THE GROUP

Save as disclosed in this Offer Information Statement, the latest audited financial statements for FY2008 and the latest unaudited financial statements for 1Q2009 and in the announcements released by the Company, the Directors are not aware of any known trends, uncertainties, demands, commitments or events of the current financial year, being FY2009, that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the Offer Information Statement to be not necessarily indicative of the future operating results or financial condition of the current financial year. In respect of the performance of the Group for the current financial year and save as disclosed, the Directors are not aware of any factor relating to the business and financial prospects of the Group and/or trends that will have a material effect on the financial condition and operating results.

RISKS FACTORS

To the best of the Directors' knowledge and belief, all the risk factors that are material to Shareholders in making an informed judgment on the Rights Issue (save for those which have already been disclosed to the general public, in particular, through the Company's annual reports and SGXNET announcements) are set out below. Shareholders should carefully consider and evaluate each of the following considerations and all other information contained in this Offer Information Statement before deciding whether to invest in the Rights Shares. The risks described below are not intended to be exhaustive. In addition to the risks described below, the Group could be affected by risks relating to the industry and countries in which the Group operates as well as economic, business, market and political risks. In addition, there may be additional risks not presently known to the Group, or that the Group may currently deems immaterial, which could affect its operations. If any of the following considerations and uncertainties develops into actual events, the business, results of operations, financial condition and prospects of the Group could be materially and adversely affected. In that event, the trading price of the Rights Shares could decline, and the prospective investors may lose all or part of their investment in the Rights Shares.

The Group's business and results of operations are susceptible to economic cyclicity and volatility in commodity prices

Historically, the international markets for indium ingots and zinc-related products have at times experienced alternating periods of increased demand, causing prices and margins to increase, followed by periods of excess supply, causing prices and margins to decline. Due to the current economic situation and the sensitivity of PRC market prices, the Group's total revenue decreased by approximately US\$17.1 million from US\$46.9 million in FY2007 to US\$29.8 million in FY2008. As announced previously, any decline in international market prices may have an adverse impact on the Group's business, financial condition and results of operations.

The demand for the Group's products may be adversely affected by the general slowdown in the global economy

The general slowdown in the global economy and the difficult conditions in the global capital markets have resulted in a reduction of liquidity levels, a general decline in lending activity between financial institutions and in commercial lending markets and increased volatility and diminished expectations for the global economy and the markets in the near term. The Group's core product is indium ingots, which is an essential raw material used by the Group's customers for manufacturing flat panel displays on electronic products such as computers, laptops, mobile phones and television sets. As electronic products having flat panel displays, especially LCD television, are currently high-end consumer electronic items, their demands may be materially and adversely affected due to the decline in customer and business confidence. Accordingly, this may result in a decrease in demand for indium ingots and may adversely affect the Group's business and financial performance.

Sales of the Group's products may be adversely affected by substitute products and technological changes

In the event that products which have similar or more useful application compared to the Group's products are developed, and such products are mass-produced and sold as direct substitutes for the Group's products to the Group's customers at prices matching, or lower than the prices of the Group's products, this may decrease the Group's market share substantially and adversely affect the Group's business and financial performance. In addition, in the event that there are technological advancements resulting in the obsolescence of flat panel displays in consumer electronic products, this may also reduce the demands for indium ingots and adversely affect the Group's business and financial performance.

The Group may be adversely affected should the Group be unable to renew the leases of the Group's production facilities or the Group's leases are prematurely terminated

Currently, a number of the Group's production facilities, such as the Group's rotary kilns and the Group's production facilities for the extraction of indium slag and strip liquor located at No.17 Baiyun Road, are held on renewable leases with a lease period of two to three years. The Group cannot ensure that the leases will be renewed upon expiry and the leases may be prematurely terminated due to unforeseen circumstances which are beyond the Group's control. In the event that the Group is unable to renew these leases or these leases are prematurely terminated, it will be required to relocate the Group's production facilities. This may have an adverse impact on the Group's operating margins and financial performance.

The Group is susceptible to fluctuations in raw material prices

The Group's major raw materials include indium slags, zinc concentrates and coal. The prices of these raw materials may be subject to price fluctuations due to factors beyond the Group's control, such as changes in governmental regulations which might reduce supply, leading to an increase in the costs of supplies. An increase in the prices of these raw materials, and the inability to source for and obtain alternative supplies, may have an impact on the Group's profit margins and hence the Group's profitability. There is also no assurance that we will be able to pass on any such increase in costs to the Group's customers in order to maintain the Group's profit margins. Hence, any significant increase in the price of raw materials may adversely affect the Group's business and financial performance.

The Group's results of operations may be affected if we are unable to obtain a steady supply of raw materials

The Group's ability to deliver quality products at competitive prices to the Group's customers is dependent on the Group's ability to obtain sufficient quantities of raw materials of acceptable quality at competitive prices. In the event that the Group's suppliers are unable to fulfil the Group's raw materials needs or if the Group's existing suppliers increase their prices, we may not be able to find alternative sources of supply in a timely or cost-efficient manner. Any insufficient supply of raw materials or any delay or disruption to the delivery schedules of the Group's raw materials may adversely affect the Group's ability to meet the Group's customers' orders.

The Group is subject to foreign exchange risks

The Group's revenue is mainly denominated in US\$ whilst a substantial part of the Group's expenses and operating costs is denominated in RMB and S\$. To the extent that the Group's revenue, purchases and operating costs are not naturally matched in the same currency and to the extent that there are timing differences between invoicing and collection or payment, as the case may be, the Group will be exposed to any adverse fluctuation of the S\$, RMB and US\$. Presently, the Group does not have any specific policy to hedge its foreign exchange exposure. The Group may, should it deem it necessary and appropriate, enter into forward contracts to hedge the Group's foreign exchange exposure. However, there is no assurance that such efforts will successfully hedge against all foreign currency fluctuations.

The Group is dependent to a large extent on the ability to attract and retain key management personnel

The Group's continued success is dependent on the Group's ability to retain the Group's key management personnel and the Group's ability to identify, recruit, train and retain qualified employees for technical, marketing, managerial or such other relevant positions. There is no assurance that the Group will be able to retain its key management personnel. The loss of the Group's key management personnel without suitable replacements may have an adverse impact on the Group's operations and the Group's future performance.

The Group's expenditure on research and development of new products may not lead to commercialisation of these products

The Group has been undertaking research and development efforts in relation to ITO sputtering targets. The Group's ability to conduct successful research and development to increase the Group's product range and expand the Group's market share will depend on the Group's abilities to obtain all necessary permits and licences for the production of the ITO sputtering targets and the level of acceptance by the Group's customers of the use of such new products. There is no assurance that the Group will be able to obtain all necessary regulatory approvals for such product expansion plans or that such plans will be commercially successful. The Group will need to increase its marketing activities to develop market awareness and relationships with potential customers. Such activities will consume financial resources and require additional human resources. An increase in these expenses without a corresponding increase in revenue may have an adverse impact on the Group's future financial performance.

The Group could be adversely affected by changes in government policies, regulations, legal system and foreign exchange control policy

Currently, the Group's operations are mainly in Singapore and PRC. In future, when the Group expands its business, it may also set up offices in other countries in the region. The performance of the Group may be adversely affected by changes in government policies in the countries that the Group operates in at present or in the future. Any changes in policies by the governments may lead to changes in laws and regulations or interpretations thereof, as well as changes in foreign ownership restrictions, currency control policies, import and export restrictions and taxation policies. These changes may have significant adverse impact on the Group's operations, financial conditions and performance. In addition, any change in government regulations in the course of a project, in particular, increasing controls over worksite safety, could result in additional costs incurred to comply with the new regulations and thus may also have an adverse effect on the Group's project costs and financial performance.

The Group may require additional financing in the future

The Group may, from time to time, need to obtain additional capital through debt or equity financing to fund its business operations. Financing through the issue of new equity securities may result in dilution to the holders of Shares and such new equity securities may have right preferences or privileges senior to those of existing Shareholders. Additional debt financing, if obtained, may expose the Group to the covenants imposed by the financial institutions or lenders.

These covenants may:

- limit the ability of the Group to pay dividends or require the Group to seek consent for the payment of dividends;
- increase the Group's vulnerability to general adverse economic and industry conditions;
- limit the Group's ability to pursue the Group's growth plan; and/or
- require the Group to dedicate a substantial portion of its capital operations to payments on its debt, thereby reducing the availability of its cash flow for capital expenditure, working capital and other general corporate purposes.

Risks relating to the Group's business in the PRC

The Group may be affected by power shortages

The Group's production facilities consume substantial amounts of electrical power for the Group's production processes. The Group may experience occasional temporary power shortages that are beyond its control due to thunderstorms and other natural events. Furthermore, the Group's production activities may be severely affected if there are any restrictions imposed by the PRC authorities due to shortages of power in the PRC which results in any disruption to the supply of electricity power to the Group's production facilities. Accordingly, these factors may have an impact on the Group's production activities and thus adversely affect the Group's business and financial performance. Apart from occasional power rationing exercises initiated by the government which has no adverse impact on the Group's business operations, the Group's Group has not experienced any power shortages affecting the Group's business operations.

The Group is subject to stringent environmental protection laws

The industry in which the Group conducts its business is subject to the PRC environmental protection laws and regulations. Any failure by us to comply fully with such laws and regulations will result in us being subject to penalties and fines. Moreover, the PRC government has the discretion to cease or close any operation that fails to comply with such laws and regulations or causes environmental pollution. There can be no assurance that the PRC government will not change the existing laws and regulations or impose additional or stricter laws and regulations on environmental protection, compliance with which may cause the Group to incur significant capital expenditures. There is no assurance that the Group will be able to comply with any such laws and regulations as may be amended or promulgated in future.

The Group's operations could be adversely affected by changes in the political and economic conditions in the PRC

Since the adoption of the "open door policy" in 1978 and the "socialist market economy" in 1993, the PRC government has been reforming and is expected to continue to reform its economic and political systems. Any changes in the political and economic policy of the PRC government may lead to changes in the laws and regulations or the interpretation of the same, as well as changes in the foreign exchange regulations, taxation and import and export restrictions, which may in turn adversely affect the Group's financial performance. While the current policy of the PRC government seems to be one of imposing economic reform policies to encourage foreign investments and greater economic decentralisation, there is no assurance that such policy will continue to prevail in the future. The Group also cannot assure that its operations will not be adversely affected should there be any policy changes.

Introduction of new laws or changes to existing laws by the PRC government may adversely affect the Group's business

The Group's operations in the PRC are subject to the laws and regulations promulgated by the PRC government. The PRC legal system is a codified legal system made up of written laws, regulations, circulars, administrative directives and internal guidelines. Unlike common law jurisdictions like the United Kingdom and Singapore, decided cases do not form part of the legal structure of the PRC laws and thus have no regulations binding effect. As such, the administration of the PRC laws and regulations may be subject to a certain degree of discretion by the authorities. This has resulted in the outcome of dispute resolutions not having the level of consistency or predictability as in other countries with more developed legal systems.

Furthermore, in line with its transformation from a centrally planned economy to a more free market oriented economy, the PRC government is still in the process of developing a comprehensive set of laws and regulations. As the legal system in the PRC is still evolving, laws and regulations or the interpretation of the same may be subject to change.

Foreign exchange control in the PRC may affect the repatriation of funds from the Group's PRC Subsidiaries

The Group's PRC Subsidiaries are subject to the rules and regulations imposed by the PRC government on currency conversion. In the PRC, the conversion of RMB into foreign currencies is regulated by the State Administration for Foreign Exchange ("SAFE"). Currently, foreign investment enterprises ("FIEs") are required to apply to SAFE for "Foreign Exchange Registration Certificates for FIEs". The Group's PRC Subsidiaries are FIEs. Such registration certificates are renewable annually and allow the FIEs to open foreign currency accounts for the payment of:—

- (a) recurring items, including the distribution of dividends and profits to foreign investors of FIEs upon presentation of board resolutions which authorise the distribution of profits or dividends ("Current Account"); and
- (b) capital items, such as repatriation of capital, repayment of loans and for securities investment ("Capital Account").

Currency transactions within the scope of the Current Account can be effected without requiring the approval of SAFE. However, the conversion of currency in the Capital Account still requires the approval of SAFE.

The Group has obtained the Foreign Exchange Registration Certificate for FIEs which is renewable annually upon application to SAFE. Although the Group does not presently anticipate any difficulty in meeting its foreign exchange needs, there can be no assurance that the current foreign exchange rules with respect to currency transactions within the scope of the Current Account will not be changed to the Group's detriment. As such, there can be no assurance that the Group's PRC Subsidiaries will be able to continue obtaining sufficient foreign exchange to pay dividends.

In addition, there can be no assurance the SAFE will not continue to issue new rules and regulations and/or further interpretations of Notice 75 that will strengthen the foreign exchange control. As the Group's Subsidiaries in the PRC generate all of the Group's subsidiaries sales and these sales are denominated mainly in RMB, the ability of the Group's Subsidiaries to pay dividends or make other distributions to the Company may be restricted by PRC foreign exchange control restrictions. There can be no assurance that the relevant regulations will not be amended to the Group's detriment and that the ability of the Group's Subsidiaries to distribute dividends to the Company will not be adversely affected.

RISKS RELATING TO OWNERSHIP OF THE SHARES

Dilution of interest of Shareholders

Foreign Shareholders and Entitled Shareholders who cannot or do not accept their entitlements of the Rights Shares will have their shareholdings in the Company diluted after the completion of the Rights Issue due to the issuance of new Rights Shares. In addition, the issuance of the Rights Shares will dilute Shareholders' interests.

Upon the completion of the Rights Issue, assuming that the Group's Substantial Shareholders subscribe for their entitlements, the Substantial Shareholders will retain majority control of the Group.

Upon the completion of the Rights Issue, in the event of a Minimum Subscription Scenario, and assuming that the other Substantial Shareholders of the Company subscribe for their provisional allotments of Rights Shares, the Substantial Shareholders will beneficially own in aggregate up to approximately 73.28% of the Company's enlarged share capital.

Hence, the Substantial Shareholders if acting together, will be able to exercise significant influence over all matters requiring shareholder approval, including the election of directors and the approval of significant corporate transactions. They will also have veto power with respect to any shareholder action or approval requiring a majority vote (except where they are required by the rules of the Listing Manual to abstain from voting). Such concentration of ownership may also have the effect of delaying, preventing or deterring a change in control of the Group which may benefit the Group's Shareholders.

Liquidity of the Shares

Active and liquid trading for securities generally result in lower volatilities in price and more efficient execution of buy and sell orders for investors. Generally, the liquidity of the market for a particular share is dependent on, amongst others, the size of the free float, the price of each board lot, institutional interests, and the business prospects of the Group as well as the prevailing market sentiment. There is no assurance that the liquidity of the Shares or the volume of the Shares as traded on SGX-ST Main Board may not change or decline after the Rights Issue.

The market price and trading volume of the Shares may be affected by various factors

The market price and trading volume of the Shares may be highly volatile and could fluctuate significantly and rapidly in response to, *inter alia*, the following factors, some of which are beyond the Group's control:

- (a) variations in the operating results of the Group;
- (b) success or failure of the management team in implementing business and growth strategies;
- (c) gain or loss of important business relationships or contracts or failure to complete contracts or projects in a timely manner;
- (d) changes in securities analysts' recommendations, perceptions or estimates of the Group's financial performance;
- (e) changes in conditions affecting the industry, the general economic conditions or stock market sentiments or other events or factors;
- (f) changes in market valuations and share prices of companies with similar businesses to the Group that may be listed in Singapore;
- (g) announcements by the Group or its competitors of significant contracts, acquisitions, strategic partnerships, joint ventures or capital commitments;
- (h) additions or departures of key personnel;
- (i) fluctuations in stock market prices and volume; and
- (j) involvement in litigation.

These fluctuations may be exaggerated if the trading volume of the Shares is low.

10. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.

Not applicable.

11. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.

Not applicable.

12. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 11 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.

Not applicable.

13. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part –

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or**
 - (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.**
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Not applicable.

14. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part –

- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph**

11 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or

- (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

Not applicable.

Significant Changes

15. Disclose any event that has occurred from the end of –

- (a) the most recent completed financial year for which financial statements have been published; or
- (b) if interim financial statements have been published for any subsequent period, that period,

to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate negative statement.

The Directors are not aware of any event which has occurred since 01 March 2009 up to the Latest Practicable Date which may have a material effect on the financial position and results of the Group provided in its unaudited financial statements for 1Q2009 to be published by the Company.

Meaning of “published”

In this Part, “published” includes publication in a prospectus, in an annual report or on the SGXNET.

PART V: THE OFFER AND LISTING

Offer and Listing Details

1. Indicate the price at which the securities are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgement of the offer information statement, the method by which the offer price is to be determined must be explained.

The issue price for the Rights Shares is S\$0.02 for each Rights Share, payable in full on acceptance and/or application. No expenses will be charged by the Company to the Entitled Shareholders, the renounees or purchasers for subscribing for their Rights Shares.

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2. If there is no established market for the securities being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.
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Not applicable.

3. If –
- (a) any of the relevant entity's shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the securities being offered; and
 - (b) the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived, indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.
-

Not applicable.

4. If securities of the same class as those securities being offered are listed for quotation on any securities exchange –
- (a) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities –
 - (i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and
 - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or
 - (b) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities –
 - (i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and
 - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;
 - (c) disclose any significant trading suspension that has occurred on the securities exchange during the 3 years immediately preceding the latest practicable date or, if the securities have been listed for quotation for less than 3 years, during the period from the date on which the securities were first listed to the latest practicable date; and
 - (d) disclose information on any lack of liquidity, if the securities are not regularly traded on the securities exchange.
-

- (a) The price range and volume of the Shares traded on the SGX-ST over the last twelve (12) months immediately preceding the Latest Practicable Date are as follows:

<u>Month</u>	Price Range		Volume (‘000 Shares)
	High (S\$)	Low (S\$)	
March 2008	0.15	0.105	5,629
April 2008	0.15	0.115	8,750
May 2008	0.165	0.13	10,417
June 2008	0.155	0.13	2,781
July 2008	0.145	0.11	1,322
August 2008	0.125	0.08	1,045
September 2008	0.11	0.055	4,044
October 2008	0.07	0.025	6,288
November 2008	0.05	0.03	1,939
December 2008	0.07	0.03	742
January 2009	0.1	0.035	1,350
February 2009	0.045	0.035	448
March 2009	0.05	0.025	2,931
April 2009	0.065	0.035	19,082
May 2009	0.085	0.055	6,767
01 June 2009 to 12 June 2009 (being the Latest Practicable Date)	0.11	0.08	11,744

Source: Bloomberg

- (b) Not applicable as the Shares has been listed for quotation on the SGX-ST for more than 12 months immediately preceding Latest Practicable Date.
- (c) The Company has confirmed that there has been no significant trading suspension for the Shares that had occurred on the SGX-ST during the three years immediately preceding the Latest Practicable Date.
- (d) Based on the information set out in the table on “Price Range” above, the Shares are regularly traded on the Official List of the SGX-ST.

5. Where the securities being offered are not identical to the securities already issued by the relevant entity, provide –

- (a) **statement of the rights, preferences and restrictions attached to the securities being offered; and**
- (b) **an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities, to rank in priority to or *pari passu* with the securities being offered.**
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Not applicable as the Rights Shares, when allotted and issued, will rank *pari passu* in all respects with the then existing Shares, except that they will not be entitled to participate in any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of the Rights Shares.

Plan of Distribution

- 6. Indicate the amount, and outline briefly the plan of distribution, of the securities that are to be offered otherwise than through underwriters. If the securities are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.**
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Up to 245,421,598 Rights Shares are offered pursuant to the Rights Issue. The Rights Issue is made on a renounceable basis to Entitled Shareholders on the basis of two (2) Rights Shares for every three (3) existing Shares held by Entitled Shareholders as at the Books Closure Date. The issue price is S\$0.02 per Rights Share.

Disregarded fractional entitlements will, together with the provisional allotments which are not taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

Entitled Shareholders will be at liberty to accept (in full or in part), decline or otherwise renounce or trade their provisional allotments of Rights Shares and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue.

In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots and Directors and Substantial Shareholders will rank in last in priority.

For practical reasons and in order to avoid any violation of the securities legislations applicable in countries other than Singapore, only Entitled Shareholders are eligible to participate in the Rights Issue. Please refer to the section entitled "*Eligibility of Shareholders to participate in the Rights Issue*" of this Offer Information Statement for further details.

In view of the cost savings by the Company, the Company has decided to proceed with the Rights Issue on a non-underwritten basis, and no placement or selling agents have been appointed in relation to the Rights Issue. However, the Concert Party Shareholders have each irrevocably undertaken to subscribe and/or procure subscription for their full entitlement of Rights Shares under the Rights Issue and the Excess Application Shares pursuant to the Excess Application Undertaking to the extent that such subscriptions do not oblige the Concert Party Shareholders to make a mandatory general offer under the Code.

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- 7. Provide a summary of the features of the underwriting relationship together with the amount of securities being underwritten by each underwriter.**
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Not applicable.

PART VI: ADDITIONAL INFORMATION

Statements by Experts

- 1. Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.**
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Not applicable.

- 2. Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert –**
- (a) state the date on which the statement was made;**
 - (b) state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and**
 - (c) include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.**
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Not applicable.

- 3. The information referred to in paragraphs 1 and 2 of this Part need not be provided in the offer information statement if the statement attributed to the expert is a statement to which the exemption under regulation 26(2) or (3) applies.**
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Not applicable.

Consents from Issue Managers and Underwriters

- 4. Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.**
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Not applicable.

Other Matters

- 5. Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly –**
- (a) the relevant entity's business operations or financial position or results; or**
 - (b) investments by holders of securities in the relevant entity.**
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Save as disclosed in this Offer Information Statement, the Directors are not aware of any other matters which could materially affect, directly or indirectly, the Company's business operations or financial position or results, or investments by holders of securities in the Company.

PART VII: ADDITIONAL INFORMATION REQUIRED FOR OFFER OF DEBENTURES OR UNITS OF DEBENTURES

Not applicable.

PART VIII: ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES

Not applicable.

PART IX: ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES BY WAY OF RIGHTS ISSUE

1. Provide –

- (a) the particulars of the rights issue;**
- (b) the last day and time for splitting of the provisional allotment of the securities to be issued pursuant to the rights issue;**
- (c) the last day and time for acceptance of and payment for the securities to be issued pursuant to the rights issue;**
- (d) the last day and time for renunciation of and payment by the renouncee for the securities to be issued pursuant to the rights issue;**
- (e) the terms and conditions of the offer of securities to be issued pursuant to the rights issue;**

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- (a) The particulars of the Rights Issue are as set out below:

Number of Rights Shares : Up to 245,421,598 Rights Shares.

Basis of Provisional Allotment : The Rights Issue is made on a renounceable basis to Entitled Shareholders on the basis of two (2) Rights Shares for every three (3) existing Shares held by Entitled Shareholders as at the Books Closure Date.

Fractional entitlements to the Rights Shares will be disregarded in arriving at the Entitled Shareholders' entitlements and will, together with the provisional allotments which are not taken up or allotted for any reason, be aggregated and used to satisfy excess applications for Rights Shares (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. In the allotment of excess Rights Shares, preference will be given to the rounding of odd lots and Substantial Shareholders and Directors will rank last in priority.

Issue Price	:	S\$0.02 for each Rights Share.
Listing of the Rights Shares	:	Approval in-principle of the SGX-ST for the listing and quotation of the Rights Shares on the Official List of the SGX-ST has been granted on 29 May 2009 subject to certain conditions. The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Company, its subsidiaries, the Shares, the Rights Issue or the Rights Shares.
Trading of the Rights Shares	:	Upon the listing of and quotation for the Rights Shares on the Main Board of the SGX-ST, the Rights Shares will be traded on the SGX-ST under the book-entry (scripless) settlement system.
Status of the Rights Shares	:	The Rights Shares, when allotted and issued, will rank <i>pari passu</i> in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of the Rights Shares.
Governing Law	:	Laws of the Republic of Singapore,

- (b) The last day and time for splitting Rights is 07 July 2009 at 5.00 p.m.
- (c) The last day and time for acceptance of and payment for the Rights Shares is 13 July 2009 at 5.00 p.m.
- (d) The last day and time for renunciation of and payment for the Rights Shares is 13 July 2009 at 5.00 p.m.
- (e) The terms and conditions of the Rights Issue are set out in this Offer Information Statement, in particular Appendices A to C of this Offer Information Statement.

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- (f) the particulars of any undertaking from the substantial shareholders or substantial equity interest-holders, as the case may be, of the relevant entity to subscribe for their entitlements; and**
 - (g) if the rights issue is or will not be underwritten, the reason for not underwriting the issue.**
-

As at the Latest Practicable Date, the Concert Party Shareholders hold in aggregate 62,702,771 Shares, representing approximately 17.03% of the existing issued share capital of the Company. To demonstrate their commitment to the Company and support for the Rights Issue, the Concert Party Shareholders have given Irrevocable Undertakings and Excess Application Undertaking, on 23 March 2009, to subscribe and/or procure subscription for their full entitlement of Rights Shares under the Rights Issue and the Excess Application Shares pursuant to the Excess Application Undertaking to the extent that such subscriptions do not oblige the Concert Party Shareholders to make a mandatory general offer under the Code.

By way of illustration, two extreme possible scenarios are set out below:

In the event of the Minimum Subscription Scenario, the voting rights of the Company held by the Concert Party Shareholders and represented by their shareholding will increase from an aggregate of 17.03% (based on the Existing Share Capital) to 50.22% (based on the enlarged share capital after the Rights Issue and assuming the Minimum Subscription Scenario).

In the event of the Maximum Subscription Scenario, the maximum number of Rights Shares to be issued pursuant to the proposed Rights Issue shall be 245,421,598 Rights Shares, and the maximum possible shareholding the Concert Party Shareholders will hold represents 17.03% of the Company's voting rights after the Rights Issue (based on the enlarged share capital after the Rights Issue and assuming the Maximum Subscription Scenario).

In view of the above undertakings and the savings in costs by the Company in respect of underwriting fees for an underwritten rights issue, the Company has decided to proceed with the Rights Issue on a non-underwritten basis.

As the Rights Issue is not and will not be underwritten, Shareholders are advised to carefully evaluate their individual investment positions and if they are uncertain as to the same, to consult their own financial adviser or other advisers.

ADDITIONAL DISCLOSURE REQUIREMENTS FOR RIGHTS ISSUES UNDER APPENDIX 8.2 OF THE LISTING MANUAL

1. Provide a review of the working capital for the last three financial years and the latest half year, if applicable.

The working capital of the Group as at 30 November 2006, 30 November 2007 and 30 November 2008 and 28 February 2009 are as follows:–

(US\$'000)	Unaudited as at	←	Audited as at	→
	28 February 2009	30 November 2008	30 November 2007	30 November 2006
Total current assets	31,643	36,575	42,334	23,770
Total current liabilities	1,583	3,434	1,517	8,008
Working Capital	30,060	33,141	40,817	15,762

1Q2009 versus FY2008

Current Assets

As at 28 February 2009, the Group's current assets amounted to approximately US\$31.6 million compared to US\$36.6 million. The 1Q2009 balance comprised mainly of cash on hand and at bank of US\$15.4 million (FY2008: US\$17.6 million), trade receivables of US\$1.3 million (FY2008: US\$1.0 million), other receivables and prepayments of US\$3.6 million (FY2008: US\$3.4 million) and inventories of US\$11.3 million (FY2008: US\$14.3 million).

The increase of US\$0.3 million in trade receivables was due to slower collections from the Group's customers of its by-products and raw materials.

Inventories decreased by approximately US\$3.0 million as a result of the temporary shutdown of production plants of the 3 PRC Subsidiaries to reduce stock holdings and the inventories write-down of US\$1.3 million.

There is a decrease of US\$2.2 million in cash on hand and at bank due mainly to the net loss position for the financial period.

Current Liabilities

As at 28 February 2009, the Group's current liabilities amounted to approximately US\$1.5 million compared to US\$3.4 million in FY2008. The balance in 1Q2009 comprised mainly trade payables of US\$0.9 million (FY2008: US\$1.3 million) and other payables of US\$0.7 million (FY2008: US\$2.1 million).

The decrease in trade payables of approximately US\$0.4 million was mainly due to payments made to the Group's suppliers of raw materials. Other payables decreased by approximately US\$1.4 million mainly due to fewer advances from customers for the Group's by-products and payment of rental payable for its leased production lines by Rongan.

FY2008 versus FY2007

Current Assets

As at 30 November 2008, the Group's current assets amounted to approximately US\$36.6 million compared to US\$42.3 million. The FY2008 balance comprised mainly of cash on hand and at bank of US\$17.6 million (FY2007: US\$18.1 million), trade receivables of US\$1.0 million (FY2007: US\$0.3 million), other receivables and prepayments of US\$3.4 million (FY2007: US\$3.1 million) and inventories of US\$14.3 million (FY2007: US\$20.7 million).

The increase in trade receivables of approximately US\$0.7 million was due mainly to a sale of raw materials to a customer towards the end of FY2008 compared to none in FY2007.

The decrease in inventories of approximately US\$6.4 million was due mainly to an effort by the Group to reduce stock holdings and the inventories write-down.

Current Liabilities

As at 30 November 2008, the Group's current liabilities amounted to approximately US\$3.4 million compared to US\$1.5 million in FY2007. The balance in FY2008 comprised mainly trade payables of US\$1.3 million (FY2007: US\$0.2 million) and other payables of US\$2.1 million (FY2007: US\$1.3 million).

The increase in trade payables was attributable to slower payments made to the Group's suppliers for direct materials purchased, while other payables were due mainly to advances from customers of the Group's by-products and rental payable for the Group's newly leased production lines by Rongan during FY2008.

FY2007 versus FY2006

Current Assets

As at 30 November 2007, the Group's current assets amounted to US\$42.3 million (FY2006: US\$23.8 million) comprised of cash on hand and at bank of US\$18.1 million (FY2006: US\$7.5 million), trade receivables of US\$0.3 million (FY2006: US\$3.0 million), other receivables and prepayments of US\$3.1 million (FY2006: US\$2.5 million), inventories of US\$20.7 million (FY2006: US\$10.9 million) and fair value of derivative financial instruments of US\$0.1 million (FY2006: Nil).

The increase of US\$10.6 million in cash and bank balances was due mainly to the Group's successful listing on the SGX-ST in January 2007. The decrease of US\$2.7 million in trade receivables was due to lower sales made during the financial year. Other receivables and prepayments increased by US\$0.6 million due mainly to advance payments to suppliers to secure more raw materials and machineries for the new subsidiary incorporated in FY2007.

Inventories increased by US\$9.9 million due to the higher inventory levels of finished goods and raw materials held in FY2007 as a result of the declining sales. In FY2007, the Group entered into zinc futures contracts resulting in the fair value of derivative financial instruments of US\$0.1 million.

Current Liabilities

The Group's current liabilities as at FY2007 comprised of trade payables of US\$0.2 million (FY2006: US\$1.9 million), other payables of US\$1.2 million (FY2006: US\$6.1 million) and tax payable of US\$0.1 million (FY2006: US\$0.01 million).

The decrease in current liabilities was due mainly to the decrease in other payables by US\$4.9 million following the settlement of dividends payable to shareholders of US\$4.0 million during FY2007. The decrease in trade payables is mainly due to fewer purchases made near the year end of FY2007.

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2. **A statement by the issue manager that, to the best of its knowledge and belief, the document constitutes full and true disclosure of all material facts about the issue, the issuer and its subsidiaries, and that the issue manager is not aware of any facts the omission of which would make any statement in the document misleading; and where the document contains a profit forecast, that it is satisfied that the profit forecast has been stated by the directors after reasonable enquiry.**
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Not applicable.

PROCEDURES FOR ACCEPTANCE, PAYMENT AND EXCESS APPLICATION BY ENTITLED DEPOSITORS

Entitled Depositors are entitled to receive this Offer Information Statement and the ARE which forms part of this Offer Information Statement.

The provisional allotments of Rights Shares are governed by the terms and conditions of this Offer Information Statement and the enclosed ARE and (if applicable) the Memorandum and Articles of Association of the Company. The number of Rights Shares provisionally allotted to each Entitled Depositor are indicated in the ARE (fractional entitlements (if any) having been disregarded). The Securities Accounts of Entitled Depositors have been credited by CDP with the provisional allotments of Rights Shares as indicated in the ARE. Entitled Depositors may accept their provisional allotments of Rights Shares in whole or in part. Full instructions for the acceptance of and payment for the provisional allotments of Rights Shares are set out in the Offer Information Statement as well as the ARE.

Approval has been obtained from the CPF Board for those of its members participating in its investment scheme (collectively, “IS Shareholders”) to use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective CPF Investment Accounts (“CPF Funds”) to pay for the Rights Shares. IS Shareholders who wish to accept the provisional allotments of Rights Shares and (if applicable) apply for excess Rights Shares using CPF Funds will need to instruct the respective approved banks, where such IS Shareholders hold their CPF Investment Accounts, to accept and (if applicable) apply for the Rights Shares on their behalf in accordance with this Offer Information Statement. CPF Funds may not, however, be used for the purchase of the provisional allotments of Rights Shares directly from the market.

If an Entitled Depositor wishes to accept his provisional allotment of Rights Shares specified in the ARE in full or in part, and (if applicable) apply for excess Rights Shares in addition to the Rights Shares provisionally allotted to him, he may do so by completing the relevant portions of the ARE or by way of an Electronic Application. An Entitled Depositor should ensure that the ARE is accurately and correctly completed, failing which the acceptance of his provisional allotment of Rights Shares and (if applicable) application for excess Rights Shares may be rejected.

An Entitled Depositor may accept his provisional allotment of Rights Shares and (if applicable) apply for excess Rights Shares either through CDP or by way of Electronic Application through an ATM of a Participating Bank.

Unless expressly provided to the contrary in this Offer Information Statement and the ARE or the ARS, a person who is not a party to any contracts made pursuant to this Offer Information Statement, the ARE or the ARS has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

With regard to any application which does not conform strictly to the instructions set out under this Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Rights Shares in relation to the Rights Issue or which does not comply with the instructions for Electronic Application or with the terms and conditions of this Offer Information Statement, or in the case of an application by the ARE, the ARS, the PAL, and/or any other application form for the Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, the Company and CDP may, at their absolute discretion, reject or treat as invalid any such application or present for payment or other processes all remittances at any time after receipt in such manner as it may deem fit.

The Company and CDP shall be entitled to process each application submitted for the acceptance of Rights Shares, and where applicable, application of excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Depositor, on its own, without regard to any other application and payment that may be submitted by the same Entitled Depositor. For the avoidance of doubt, insufficient payment for an application may render the application invalid; evidence of payment (or overpayment) in other applications shall not constitute, or be construed as, an affirmation of such invalid application and (if applicable) application for excess Rights Shares.

(a) Acceptance/Application through CDP

To accept the provisional allotment of Rights Shares and (if applicable) apply for excess Rights Shares through CDP, the duly completed ARE must be accompanied by **A SINGLE REMITTANCE** for payment in full for the relevant number of Rights Shares accepted and (if applicable) excess Rights Shares applied for and submitted by hand to **UNIONMET (SINGAPORE) LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 4 SHENTON WAY, #02-01, SGX CENTRE 2, SINGAPORE 068807** or by post in the self-addressed envelope provided, at the sender's own risk, to **UNIONMET (SINGAPORE) LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE P.O. BOX 1597, SINGAPORE 903147**, so as to arrive not later than **5.00 p.m. on 13 July 2009** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The payment must be made in Singapore currency in the form of a Banker's Draft or Cashier's Order drawn on a bank in Singapore and made payable to "**CDP – UNIONMET RIGHTS ISSUE ACCOUNT**" for the Rights Shares and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and Securities Account number of the Entitled Depositor clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft.

NO COMBINED BANKER'S DRAFT OR CASHIER'S ORDER FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.

(b) Acceptance/Application by way of Electronic Application through an ATM of a Participating Bank

Instructions for Electronic Applications through ATMs to accept the Rights Shares provisionally allotted or (if applicable) to apply for excess Rights Shares will appear on the ATM screens of the respective Participating Banks. Please refer to Appendix B for the additional terms and conditions for Electronic Application through an ATM of a Participating Bank.

An Entitled Depositor may choose to accept his provisional allotment of Rights Shares specified in the ARE in full or in part. If an Entitled Depositor wishes to accept part of his provisional allotment of Rights Shares and trade the balance of his provisional allotment of Rights Shares on the SGX-ST, he should:-

- (i) complete the ARE for the number of Rights Shares provisionally allotted which he wishes to accept and submit the ARE together with payment in the prescribed manner as described above to CDP; or
- (ii) accept and subscribe for that part of his provisional allotment of Rights Shares by way of Electronic Application in the prescribed manner.

The balance of his provisional allotment of Rights Shares may be sold as soon as dealings therein commence on the SGX-ST.

Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares on the SGX-ST during the provisional allotment trading period should note that the provisional allotments of Rights Shares will be tradeable in board lots, each board lot comprising provisional allotments of 1,000 Rights Shares or any other board lot size which the SGX-ST may require. Such Entitled Depositors may start trading in their provisional allotments of Rights Shares as soon as dealings therein commence on the SGX-ST.

The AREs need not be forwarded to the purchasers of the provisional allotments of Rights Shares (“**Purchasers**”) as arrangements will be made by CDP for separate ARSs to be issued to the Purchasers. Purchasers should note that CDP will, on behalf of the Company, send the ARSs, accompanied by this Offer Information Statement, by ordinary post and at the Purchasers’ own risk, to their respective Singapore addresses as recorded with CDP. Purchasers should ensure that their ARSs are accurately and correctly completed, failing which the acceptance of the provisional allotment of Rights Shares may be rejected.

This Offer Information Statement and its accompanying documents will not be despatched to Purchasers whose registered addresses with CDP are not in Singapore (“**Foreign Purchasers**”). Foreign Purchasers who wish to accept the provisional allotments of Rights Shares credited to their securities accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore. Purchasers who do not receive the ARSs accompanied by this Offer Information Statement may obtain the same from CDP, the Share Registrar or any stockbroking firm for the period up to **5.00 p.m. on 13 July 2009** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

Purchasers should inform their finance companies or Depository Agents if their purchases of such provisional allotments are settled through these intermediaries. In such instances, if the Purchasers wish to accept the Rights Shares represented by the provisional allotments purchased, they will need to go through these intermediaries, who will then accept the Rights Shares on their behalf.

As an illustration, if an Entitled Depositor has 3,000 Shares standing to the credit of his Securities Account as at the Books Closure Date, the Entitled Depositor will be provisionally allotted 2,000 Rights Shares as set out in his ARE. The Entitled Depositor’s alternative courses of action, and the necessary procedures to be taken under each course of action, are summarised below:

Alternatives

(a) Accept his entire provisional allotment of Rights Shares and (if applicable) apply for excess Rights Shares

Procedures to be taken

(i) Accept his entire provisional allotment of 2,000 Rights Shares and (if applicable) apply for excess Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 13 July 2009** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or

Alternatives

Procedures to be taken

- (ii) Complete the ARE in accordance with the instructions contained therein for the full provisional allotment of 2,000 Rights Shares and (if applicable) the number of excess Rights Shares applied for and forward the ARE together with a single remittance for S\$40.00 (or, if applicable, such higher amount in respect of the total number of Rights Shares accepted and excess Rights Shares applied for) by way of a Banker's Draft or Cashier's Order drawn in Singapore currency on a bank in Singapore and made payable to "**CDP – UNIONMET RIGHTS ISSUE ACCOUNT**" for the Rights Shares and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" for the full amount due on acceptance, by hand to **UNIONMET (SINGAPORE) LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 4 SHENTON WAY, #02-01, SGX CENTRE 2, SINGAPORE 068807** or by post, at his own risk, in the self-addressed envelope provided to **UNIONMET (SINGAPORE) LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE P.O. BOX 1597, SINGAPORE 903147** so as to arrive not later than **5.00 p.m. on 13 July 2009** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) and with the name and Securities Account number of the Entitled Depositor written on the reverse side of the Cashier's Order or Banker's Draft. **NO COMBINED BANKER'S DRAFT OR CASHIER'S ORDER FOR DIFFERENT SECURITIES ACCOUNTS OR OTHER MODE OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**
- (b) Accept a portion of his provisional allotment of Rights Shares, for example his entitlement to 1,000 provisionally allotted Rights Shares and reject the balance
- (i) Accept the provisional allotment of 1,000 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 13 July 2009** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or
- (ii) Complete the ARE in accordance with the instructions contained therein for the provisional allotment of 1,000 Rights Shares and forward the ARE together with a single remittance for S\$20.00 in the prescribed manner described in alternative (a)(ii) above to CDP so as to arrive not later than **5.00 p.m. on 13 July 2009** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotment of 1,000 Rights Shares which is not accepted by the Entitled Depositor will automatically lapse and cease to be capable of acceptance by that Entitled Depositor if an acceptance is not made through an ATM of a Participating Bank by **9.30 p.m. on 13 July 2009** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) or if an acceptance is not made through CDP by **5.00 p.m. on 13 July 2009** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

Alternatives

(c) Accept a portion of his provisional allotment of Rights Shares, for example his entitlement to 1,000 provisionally allotted Rights Shares, and trade the balance on the SGX-ST

Procedures to be taken

- (i) Accept the provisional allotment of 1,000 Rights Shares by way of an Electronic Application through an ATM of a Participating Bank as described herein not later than **9.30 p.m. on 13 July 2009** (or such other time(s) or date(s) as may be announced from time to time by or on behalf of the Company); or
- (ii) Complete the ARE in accordance with the instructions contained therein for the provisional allotment of 1,000 Rights Shares, and forward the ARE together with a single remittance for S\$20.00 in the prescribed manner described in alternative (a)(ii) above to CDP, so as to arrive not later than **5.00 p.m. on 13 July 2009** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The balance of the provisional allotments of 1,000 Rights Shares may be traded on the SGX-ST during the provisional allotment trading period.

Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares on the SGX-ST during the provisional allotment trading period should note that the provisional allotments of Rights Shares will be tradeable in board lots, each board lot comprising provisional allotments of 1,000 Rights Shares or any other board lot size which the SGX-ST may require. Such Entitled Depositors may start trading in their provisional allotments of Rights Shares as soon as dealings therein commence on the SGX-ST.

If acceptance and payment for the Rights Shares in the prescribed manner as set out in the ARE or ARS (as the case may be) and this Offer Information Statement is not received through an ATM of a Participating Bank by **9.30 p.m. on 13 July 2009** or through CDP by **5.00 p.m. on 13 July 2009** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company) from any Entitled Depositor or Purchaser, the provisional allotments of Rights Shares shall be deemed to have been declined and shall forthwith lapse and become void, and such provisional allotments not so accepted will be used to satisfy excess applications, if any, or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit. All monies received in connection therewith will be returned by CDP on behalf of the Company to the Entitled Depositors or the Purchasers, as the case may be, without interest or any share of revenue or other benefit arising therefrom, by ORDINARY POST or in such other manner as the Entitled Depositors or Purchasers may have agreed with CDP for the payment of any cash distributions (where acceptance is through CDP) or by crediting their accounts with the relevant Participating Banks (where acceptance is through Electronic Application at the ATMs) and at the Entitled Depositors' or the Purchasers' own risk.

If any Entitled Depositor or Purchaser is in any doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

The excess Rights Shares are available for application subject to the terms and conditions contained in the ARE, this Offer Information Statement and (if applicable) the Memorandum and Articles of Association of the Company. Applications for excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up by Entitled Depositors, the original allottee(s) or their respective renounee(s) or the Purchaser(s) of the provisional allotments (including the aggregated fractional entitlements and any unsold "nil-paid" provisional allotment of Rights Shares of Foreign Shareholders) in accordance with the terms and conditions contained in the ARE and this Offer Information Statement. In the event that applications are received by the Company for more excess Rights Shares than are available, the excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. The Company reserves the right to refuse any application for excess Rights Shares in whole or in part without assigning any reason whatsoever therefor. CDP takes no responsibility for any decision that the Directors may make.

If no excess Rights Shares are allotted or if the number of excess Rights Shares allotted is less than that applied for, the amount paid on application or the surplus application monies, as the case may be, will be refunded by CDP, on behalf of the Company, to such Entitled Depositors, without interest or any share of revenue or other benefit arising therefrom, within fourteen (14) days after the Closing Date, by crediting their accounts with the relevant Participating Banks (if they accept by way of an Electronic Application) at their own risk, the receipt by such bank being a good discharge to CDP and the Company for their obligations, if any, thereunder, or by means of a crossed cheque drawn on a bank in Singapore and sent to them at their mailing addresses as recorded with CDP by ORDINARY POST or in such other manner as the Entitled Depositors may have agreed with CDP for the payment of any cash distributions (if they apply through CDP) at their own risk.

THE FINAL TIME AND DATE FOR ACCEPTANCES AND (IF APPLICABLE) EXCESS APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES IS:

- (A) 9.30 P.M. ON 13 JULY 2009 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH AN ATM OF A PARTICIPATING BANK; OR**
- (B) 5.00 P.M. ON 13 JULY 2009 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY) IF ACCEPTANCE AND (IF APPLICABLE) EXCESS APPLICATION AND PAYMENT FOR THE RIGHTS SHARES IS MADE THROUGH CDP.**

It should be particularly noted that unless:

- (i) acceptance and payment in Singapore currency by Banker's Draft or Cashier's Order drawn on a bank in Singapore and made out in favour of "**CDP – UNIONMET RIGHTS ISSUE ACCOUNT**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" for the full amount due on acceptance and with the names and Securities Account numbers of the Entitled Depositors or the Purchasers (as the case may be) clearly written in block letters on the reverse side of the Cashier's Order or Banker's Draft is submitted by hand to **UNIONMET (SINGAPORE) LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, at 4 SHENTON WAY, #02-01, SGX CENTRE 2, SINGAPORE 068807** or by post at the Entitled Depositor's or Purchaser's (as the case may be) own risk, in the self-addressed envelope provided to reach **UNIONMET (SINGAPORE) LIMITED C/O THE CENTRAL DEPOSITORY (PTE) LIMITED, ROBINSON ROAD POST OFFICE, P.O. BOX 1597, SINGAPORE 903147 by 5.00 p.m. on 13 July 2009** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company); or

- (ii) acceptance of the provisional allotment of Rights Shares is made by the Entitled Depositors or the Purchasers (as the case may be) by way of an Electronic Application through an ATM of a Participating Bank and payment of the full amount payable for such Rights Shares is effected by **9.30 p.m. on 13 July 2009** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company),

the provisional allotment of Rights Shares will be deemed to have been declined and shall forthwith lapse and become void. All monies received in connection therewith will be returned to the Entitled Depositors or the Purchasers (as the case may be) without interest or any share of revenue or other benefit arising therefrom BY ORDINARY POST or in such other manner as the Entitled Depositors or Purchasers may have agreed with CDP for the payment of any cash distributions (where acceptance is through CDP) or by crediting their accounts with the relevant Participating Banks (where acceptance is through Electronic Application at the ATMs), and at the Entitled Depositors' or the Purchasers' (as the case may be) own risk within fourteen (14) days after the Closing Date. **ACCEPTANCES ACCOMPANIED BY ANY OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL NOT BE ACCEPTED.**

ADDITIONAL TERMS AND CONDITIONS FOR ELECTRONIC APPLICATION THROUGH ATMS OF PARTICIPATING BANKS

The procedures for Electronic Applications at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks (the “Steps”). Please read carefully the terms and conditions of this Offer Information Statement, the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application. An ATM card issued by one Participating Bank cannot be used to accept and (if applicable) apply for Rights Shares at an ATM belonging to other Participating Banks. Any Electronic Application which does not strictly conform to the instructions set out on the screens of the ATM through which the Electronic Application is made will be rejected.

Any reference to the “**Applicant**” in the terms and conditions for Electronic Applications and the Steps shall mean the Entitled Depositor or his renounees or the purchaser of the provisional allotment who accepts or (as the case may be) who applies for the Rights Shares through an ATM of the Participating Banks. An Applicant must have an existing bank account with and be an ATM cardholder of one of the Participating Banks before he can make an Electronic Application at the ATM of that Participating Bank. The actions that the Applicant must take at ATMs of the Participating Banks are set out on the ATM screens of the relevant Participating Banks. Upon the completion of his Electronic Application transaction, the Applicant will receive an ATM transaction slip (“**Transaction Record**”), confirming the details of his Electronic Application. The Transaction Record is for retention by the Applicant and should not be submitted with any ARE or ARS.

An Applicant, including one who has a joint bank account with a Participating Bank, must ensure that he enters his own Securities Account number when using the ATM Card issued to him in his own name. Using his own Securities Account number with an ATM Card which is not issued to him in his own name will render his acceptance or (as the case may be) application liable to be rejected.

The Electronic Application shall be made on, and subject to, the terms and conditions of this Offer Information Statement including, but not limited to, the terms and conditions appearing below:

- (1) In connection with his Electronic Application for the Rights Shares, the Applicant is required to confirm statements to the following effect in the course of activating the ATM for his Electronic Application:–
 - (a) **that he has received a copy of this Offer Information Statement and has read, understood and agreed to all the terms and conditions of acceptance and (as the case may be) application for the Rights Shares under the Rights Issue and this Offer Information Statement prior to effecting the Electronic Application and agrees to be bound by the same; and**
 - (b) **that he consents to the disclosure of his name, NRIC/passport number, address, nationality, CDP Securities Account number, CPF Investment Account number and application details (the “Relevant Particulars”) from his account with that Participating Bank to the Share Registrar, Securities Clearing & Computer Services (Pte) Ltd, CDP, CPF Board, the SGX-ST and the Company (the “Relevant Parties”).**

His application will not be successfully completed and cannot be recorded as a completed transaction in the ATM unless he presses the “Enter” or “OK” or “Confirm” or “Yes” key. By doing so, the Applicant shall be treated as signifying his confirmation of each of the two statements above. In respect of statement 1(b) above, his confirmation, by pressing the “Enter” or “OK” or “Confirm” or “Yes” key, shall signify and shall be treated as his written permission, given in

accordance with the relevant laws of Singapore including Section 47(2) and the Third Schedule of the Banking Act, Chapter 19 of Singapore, to the disclosure by that Participating Bank of the Relevant Particulars to the Relevant Parties.

- (2) An Applicant may make an Electronic Application at an ATM of any Participating Bank for the Rights Shares using cash only by authorising such Participating Bank to deduct the full amount payable from his account with such Participating Bank.
- (3) The Applicant irrevocably agrees and undertakes to subscribe for and to accept up to the aggregate of the number of Rights Shares provisionally allotted and excess Rights Shares applied for as stated on the Transaction Record or the number of Rights Shares standing to the credit of his Securities Account as at the close of the Rights Issue. In the event that the Company decides to allot any lesser number of excess Rights Shares or not to allot any number of excess Rights Shares applied for to the Applicant, the Applicant agrees to accept the decision as final.
- (4) If the Applicant's Electronic Application is successful, his confirmation (by his action of pressing the "Enter" or "OK" or "Confirm" or "Yes" key on the ATM) of the number of Rights Shares accepted and/or excess Rights Shares applied for shall signify and shall be treated as his acceptance of the number of Rights Shares accepted and/or excess Rights Shares applied for that may be allotted to him.
- (5) In the event that the Applicant accepts the Rights Shares both by way of ARE and/or ARS (as the case may be) and by Electronic Application through an ATM of a Participating Bank, CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as it may, in its absolute discretion, deem fit. In determining the number of Rights Shares which the Applicant has validly given instructions to accept, the Applicant shall be deemed to have irrevocably given instructions to accept the lesser of the number of provisionally allotted Rights Shares which are standing to the credit of his Securities Account as at the Closing Date and the aggregate number of Rights Shares which have been accepted by the Applicant by way of ARE and/or ARS (as the case may be) and by Electronic Application through an ATM of a Participating Bank, and CDP, in determining the number of Rights Shares which the Applicant has validly given instructions to accept, shall be authorised and entitled to have regard to the aggregate amount of payment received for the acceptance of Rights Shares, whether by way of Banker's Draft or Cashier's Order drawn on a bank in Singapore accompanying the ARE and/or ARS or by way of the acceptance through Electronic Application through an ATM of a Participating Bank.
- (6) If applicable, in the event that the Applicant applies for excess Rights Shares both by way of ARE and by Electronic Application through an ATM of a Participating Bank, CDP shall be authorised and entitled to accept the Applicant's instructions in whichever mode or a combination thereof as it may, in its absolute discretion, deem fit. In determining the number of excess Rights Shares which the Applicant has validly given instructions for the application of, the Applicant shall be deemed to have irrevocably given instructions to apply for and agreed to accept such number of excess Rights Shares not exceeding the aggregate number of excess Rights Shares for which he has applied by way of ARE and by Electronic Application through an ATM of a Participating Bank. CDP, in determining the number of excess Rights Shares which the Applicant has given valid instructions for the application, shall be authorised and entitled to have regard to the aggregate amount of payment received for the application of the excess Rights Shares, whether by way of Banker's Draft or Cashier's Order drawn on a bank in Singapore accompanying the ARE or by way of application through Electronic Application through an ATM of a Participating Bank.

- (7) The Applicant irrevocably requests and authorises the Company to:
- (a) register, or to procure the registration of the Rights Shares allotted to the Applicant in the name of CDP for deposit into his Securities Account;
 - (b) return (without interest or any share of revenue or other benefit arising therefrom) the acceptance/application monies, should his Electronic Application in respect of the Rights Shares accepted and/or excess Rights Shares applied for not be accepted by the Company for any reason, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within fourteen (14) days after the Closing Date; and
 - (c) return (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should his Electronic Application for excess Rights Shares be accepted in part only, by automatically crediting the Applicant's bank account with his Participating Bank with the relevant amount within fourteen (14) days after the Closing Date.
- (8) **BY MAKING AN ELECTRONIC APPLICATION, THE APPLICANT CONFIRMS THAT HE IS NOT ACCEPTING/APPLYING FOR THE RIGHTS SHARES AS NOMINEE OF ANY OTHER PERSON.**
- (9) The Applicant irrevocably agrees and acknowledges that his Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses and theft (in each case whether or not within the control of CDP, the Participating Banks, the Company and/or the Share Registrar) and any events whatsoever beyond the control of CDP, the Participating Banks, the Company or the Share Registrar and if, in any such event, CDP, the Participating Banks, the Company and/or the Share Registrar do not record or receive the Applicant's Electronic Application **by 9.30 p.m. on 13 July 2009** (or such other time as the Directors may, in their absolute discretion, decide), or such data or the tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, the Applicant shall be deemed not to have made an Electronic Application and the Applicant shall have no claim whatsoever against CDP, the Participating Banks, the Company and/or the Share Registrar for any purported acceptance thereof and (if applicable) excess application therefor, or for any compensation, loss or damage in connection therewith or in relation thereto.
- (10) **Electronic Applications may only be made at the ATMs of the Participating Banks from Mondays to Saturdays between 7.00 a.m. to 9.30 p.m., excluding public holidays.**
- (11) **Electronic Applications shall close at 9.30 p.m. on 13 July 2009 or such other time as the Directors may, in their absolute discretion, deem fit in the interests of the Company.**
- (12) All particulars of the Applicant in the records of his Participating Bank at the time he makes his Electronic Application shall be deemed to be true and correct and the relevant Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in the particulars of the Applicant after the time of the making of his Electronic Application, the Applicant shall promptly notify his Participating Bank.
- (13) The Applicant must have sufficient funds in his bank account(s) with his Participating Bank at the time he makes his Electronic Application, failing which his Electronic Application will not be completed. Any Electronic Application made at the ATMs of Participating Banks which does not strictly conform to the instructions set out on the ATM screens of such Participating Banks will be rejected.

- (14) Where an Electronic Application is not accepted, it is expected that the full amount of the acceptance/application monies will be refunded in Singapore dollars (without interest or any share of revenue or other benefit arising therefrom) to the Applicant by being automatically credited to the Applicant's account with the relevant Participating Bank within fourteen (14) days after the Closing Date. An Electronic Application may also be accepted in part, in which case the balance amount of acceptance/application monies will be refunded on the same terms.
- (15) In consideration of the Company arranging for the Electronic Application facility through the ATMs of the Participating Banks and agreeing to close the Rights Shares Issue at **9.30 p.m. on 13 July 2009** or such later time or date as the Directors may, in their absolute discretion, decide, and by making and completing an Electronic Application, the Applicant agrees that:
- (a) his Electronic Application is irrevocable (whether or not, to the extent permitted by law, any supplementary document or replacement document referred to in Section 241 of the SFA is lodged with the Authority);
 - (b) his Electronic Application, the acceptance by the Company and the contract resulting therefrom shall be governed by and construed in accordance with the laws of Singapore and he irrevocably submits to the exclusive jurisdiction of the Singapore courts;
 - (c) none of the Company, CDP nor the Participating Banks shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to his Electronic Application to the Company or CDP due to a breakdown or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 9 above or to any cause beyond their respective control;
 - (d) he will not be entitled to exercise any remedy of rescission or misrepresentation at any time after acceptance of the provisionally allotted Rights Shares and (if applicable) acceptance of his application for excess Rights Shares;
 - (e) in respect of the Rights Shares for which his Electronic Application has been successfully completed and not rejected, acceptance of the Applicant's Electronic Application shall be constituted by written notification by or on behalf of the Company and not otherwise, notwithstanding any payment received by or on behalf of the Company; and
 - (f) unless expressly provided to the contrary in this Offer Information Statement or the Electronic Application, a person who is not a party to any contracts made pursuant to this Offer Information Statement or the Electronic Application has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.
- (16) The Applicant should ensure that his personal particulars as recorded by both CDP and the relevant Participating Banks are correct and identical, otherwise, his Electronic Application may be liable to be rejected. The Applicant should promptly inform CDP of any change in his address, failing which the notification letter on successful allotment and other correspondence will be sent to his address last registered with CDP.
- (17) The existence of a trust will not be recognised. Any Electronic Application by an Applicant must be made in his own name and without qualification. The Company will reject any application by any person acting as nominee.

- (18) In the event that the Applicant accepts or subscribes for the provisionally allotted Rights Shares or (if applicable) applies for excess Rights Shares, as the case may be, by way of ARE or ARS or by way of Electronic Application through any ATM of the Participating Banks, the provisionally allotted Rights Shares and/or excess Rights Shares will be allotted in such manner as the Company or CDP may, in their absolute discretion, deem fit and the surplus acceptance and (if applicable) application monies, as the case may be, will be refunded, without interest or any share of revenue or other benefit arising therefrom, within fourteen (14) days after the Closing Date by any one or a combination of the following:
- (a) by means of a crossed cheque sent BY ORDINARY POST at his own risk if he accepts and (if applicable) applies through CDP; and
 - (b) by crediting the Applicant's bank account with the Participating Bank at his own risk if he accepts and (if applicable) applies through an ATM.
- (19) The Applicant hereby acknowledges that, in determining the total number of Rights Shares represented by the provisional allotment of Rights Shares which he can validly accept, the Company and CDP are entitled and the Applicant hereby authorises the Company and CDP to take into consideration:
- (a) the total number of Rights Shares represented by the provisional allotment of Rights Shares which the Applicant has validly accepted, whether under the ARE or any other form of application (including Electronic Application through an ATM of a Participating Bank) for the Rights Shares;
 - (b) the total number of Rights Shares represented by the provisional allotment of Rights Shares standing to the credit of the Applicant's Securities Account which is available for acceptance; and
 - (c) the total number of Rights Shares represented by the provisional allotment of Rights Shares which has been disposed of by the Applicant.

The Applicant hereby acknowledges that CDP's and the Company's determination shall be conclusive and binding on him.

- (20) The Applicant irrevocably requests and authorises CDP to accept instructions from the Participating Bank through whom the Electronic Application is made in respect of the provisional allotment of Rights Shares accepted by the Applicant and (if applicable) the excess Rights Shares which the Applicant has applied for.
- (21) With regard to any application which does not conform strictly to the instructions set out under the Offer Information Statement, the ARE, the ARS, the PAL and/or any other application form for the Rights Shares in relation to the Rights Issue or which does not comply with the instructions for Electronic Application or with the terms and conditions of the Offer Information Statement, or in the case of an application by the ARE, the ARS, the PAL and/or any other application form for the Rights Shares in relation to the Rights Issue which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly or insufficiently drawn remittance, the Company may, at its absolute discretion, reject or treat or invalid any such application or present for payment or other processes all remittances at any time after receipt in such manner as it may deem fit.
- (22) The Company and the CDP shall be entitled to process each application submitted for the acceptance of Rights Shares, and where applicable, application of excess Rights Shares in relation to the Rights Issue and the payment received in relation thereto, pursuant to such application, by an Entitled Shareholder, on its own, without regard to any application and payment that may be submitted by the same Entitled Shareholder.

PROCEDURES FOR ACCEPTANCE, PAYMENT, SPLITTING, RENUNCIATION AND EXCESS APPLICATION BY ENTITLED SCRIPHOLDERS

Entitled Scripholders are entitled to receive this Offer Information Statement with the following documents which are enclosed with, and are deemed to form a part of, this Offer Information Statement:

Renounceable PAL incorporating:

Form of Acceptance	Form A
Request for Splitting	Form B
Form of Renunciation	Form C
Form of Nomination	Form D
Excess Rights Shares Application Form	Form E

The provisional allotment of the Rights Shares and application for excess Rights Shares are governed by the terms and conditions of this Offer Information Statement and the enclosed PAL and (if applicable) the Memorandum and Articles of Association of the Company. The number of Rights Shares provisionally allotted to Entitled Scripholders is indicated in the PAL (fractional allotments, if any, having been disregarded). Entitled Scripholders may accept their provisional allotments of Rights Shares, in full or in part, and are eligible to apply for Rights Shares in excess of their entitlements under the Rights Issue. Full instructions for the acceptance of and payment for the Rights Shares provisionally allotted to Entitled Scripholders and the procedures to be adopted should they wish to renounce, transfer or split their provisional allotments are set out in the PAL.

Entitled Scripholders should note that all dealings in and transactions of the provisional allotments of Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs will not be valid for delivery pursuant to the trades done on the SGX-ST.

Unless expressly provided to the contrary in this Offer Information Statement and/or the PAL, a person who is not a party to any contracts made pursuant to the PAL and/or this Offer Information Statement has no rights under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore to enforce any term of such contracts. Notwithstanding any term contained herein, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

Entitled Scripholders who wish to accept their entire provisional allotments of Rights Shares or to accept any part of it and decline the balance, should complete the Form of Acceptance (Form A) for the number of Rights Shares which they wish to accept and forward the PAL in its entirety together with payment in the prescribed manner to **UNIONMET (SINGAPORE) LIMITED C/O THE SHARE REGISTRAR, B.A.C.S. PRIVATE LIMITED AT 63 CANTONMENT ROAD SINGAPORE 089758**, so as to arrive not later than **5.00 p.m. on 13 July 2009** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

Entitled Scripholders who wish to accept a portion of their provisional allotments of Rights Shares and renounce the balance of their provisional allotments of Rights Shares, or who wish to renounce all or part of their provisional allotments of Rights Shares in favour of more than one person, should first, using the Request for Splitting (Form B), request to have their provisional allotments of Rights Shares under the PAL split into separate PALs ("**Split Letters**") according to their requirements. The duly

completed Form B together with the PAL in its entirety should be returned to reach the Share Registrar not later than **5.00 p.m. on 07 July 2009** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). Split Letters will then be issued to the Entitled Scripholders in accordance with their request. No Split Letters will be issued to the Entitled Scripholders if the Form B is received after **5.00 p.m. on 07 July 2009** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

The Split Letters representing the number of Rights Shares, which Entitled Scripholders intend to renounce, may be renounced by completing the Form for Renunciation (Form C) before delivery to the renounee. Entitled Scripholders should complete Form A of the Split Letter(s) representing that part of their provisional allotments of Rights Shares they intend to accept, if any, and forward the said Split Letter(s) together with payment in the prescribed manner to the Share Registrar so as to arrive not later than **5.00 p.m. on 07 July 2009** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company).

Entitled Scripholders who wish to renounce their entire provisional allotments of Rights Shares in favour of one person, or renounce any part of it in favour of one person and decline the balance, should complete Form C for the number of provisional allotments of Rights Shares which they intend to renounce and deliver the PAL in its entirety to the renounees.

Payment in relation to PALs must be made in Singapore currency in the form of a Banker's Draft or Cashier's Order drawn on a bank in Singapore and made payable to "**UNIONMET (SINGAPORE) LIMITED**" and crossed "**NOT NEGOTIABLE, A/C PAYEE ONLY**" with the name and address of the Entitled Scripholder or acceptor clearly written in block letters on the reverse side. The completed PAL and payment should be addressed and forwarded, at the sender's own risk, to **UNIONMET (SINGAPORE) LIMITED C/O THE SHARE REGISTRAR, B.A.C.S. PRIVATE LIMITED AT 63 CANTONMENT ROAD, SINGAPORE 089758**, so as to arrive not later than **5.00 p.m. on 13 July 2009** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

If acceptance and payment in the prescribed manner as set out in the PAL is not received by **5.00 p.m. on 13 July 2009** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company), the provisional allotments of Rights Shares will be deemed to have been declined and shall forthwith lapse and become void, and such provisional allotments not so accepted will be used to satisfy excess applications, if any, or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. The Company will return all unsuccessful application monies received in connection therewith by ORDINARY POST and at the risk of the Entitled Scripholders or their renounee(s), as the case may be, without interest or share of revenue or other benefit arising therefrom within fourteen (14) days after the Closing Date.

Entitled Scripholders who wish to apply for excess Rights Shares in addition to those which have been provisionally allotted to them may do so by completing the Excess Rights Shares Application Form (Form E) and forwarding it with a **SEPARATE REMITTANCE** for the full amount payable in respect of the excess Rights Shares applied for in the form and manner set out above, at their own risk, to **UNIONMET (SINGAPORE) LIMITED C/O THE SHARE REGISTRAR, B.A.C.S. PRIVATE LIMITED AT 63 CANTONMENT ROAD SINGAPORE 089758**, so as to arrive not later than **5.00 p.m. on 13 July 2009** (or such other time(s) and/or date(s) as may be announced from time to time by or on behalf of the Company). **NO OTHER FORM OF PAYMENT (INCLUDING THE USE OF A PERSONAL CHEQUE, POSTAL ORDER OR MONEY ORDER ISSUED BY A POST OFFICE IN SINGAPORE) WILL BE ACCEPTED.**

Applications for the excess Rights Shares are subject to the terms and conditions contained in the PAL, Form E and this Offer Information Statement. Applications for excess Rights Shares will, at the Directors' absolute discretion, be satisfied from such Rights Shares as are not validly taken up, the unsold "nil-paid" provisional allotments of Rights Shares (if any) of Foreign Shareholders and the aggregated fractional entitlements of Rights Shares and any Rights Shares that are otherwise not allotted for any reason. In the event that applications are received by the Company for more excess Rights Shares than are available, the excess Rights Shares available will be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company. The Directors reserve the right to allot the excess Rights Shares applied for under Form E in any manner as the Directors may deem fit and to refuse, in whole or in part, any application for excess Rights Shares without assigning any reason whatsoever.

If no excess Rights Shares are allotted to Entitled Scripholders or if the number of excess Rights Shares allotted to them is less than that applied for, it is expected that the amount paid on application or the surplus application monies, as the case may be, will be refunded to them by the Company without interest or share of revenue or other benefit arising therefrom within fourteen (14) days after the Closing Date, **BY ORDINARY POST** at their **OWN RISK**.

No acknowledgements or receipts will be issued in respect of any acceptances, remittances or applications.

Entitled Scripholders who are in any doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

THE FINAL TIME AND DATE FOR ACCEPTANCE AND/OR APPLICATIONS AND PAYMENT FOR THE RIGHTS SHARES IS 5.00 P.M. ON 13 JULY 2009 (OR SUCH OTHER TIME(S) AND/OR DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE COMPANY).

LIST OF PARTICIPATING BANKS

PARTICIPATING BANKS FOR ELECTRONIC APPLICATIONS

DBS Bank Ltd (including POSB) (“DBS Bank”);

Oversea-Chinese Banking Corporation Limited (“OCBC”);

United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited (the “UOB Group”)

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Offer Information Statement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Offer Information Statement are fair and accurate in all material respects as at the date of this Offer Information Statement and there are no material facts the omission of which would make any statement in this Offer Information Statement misleading in any material respect. Where information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Offer Information Statement.

For and on behalf of **UNIONMET (SINGAPORE) LIMITED**

MR. MENG LIMIN
CHIEF EXECUTIVE OFFICER &
EXECUTIVE DIRECTOR

MR. HUANG WEI
NON-INDEPENDENT,
NON EXECUTIVE DIRECTOR

MR. ZENG FUZU
NON-INDEPENDENT,
NON-EXECUTIVE DIRECTOR

MR. HUANG GUOZHI
NON-INDEPENDENT,
NON-EXECUTIVE DIRECTOR

MR. LOW WENG KEONG
INDEPENDENT DIRECTOR

MR. KELVIN VALERY CHIA HOO KHUN
INDEPENDENT DIRECTOR