

UNIONMET (SINGAPORE) LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200409104W)

THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 245,421,597 NEW ORDINARY SHARES IN THE CAPITAL OF UNIONMET (SINGAPORE) LIMITED (THE "COMPANY") (THE "RIGHTS SHARES") 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 TO BE DETERMINED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE "RIGHTS ISSUE")

Where capitalised terms are used in this announcement and not otherwise defined, such capitalised terms shall bear the same meanings as ascribed to them in the announcements made by the Company on 23 March 2009 and 9 April 2009.

The Board of directors ("**Directors**") of the Company refers to the Company's announcement on 23 March 2009. The Directors wish to announce that the Securities Industry Council (the "**SIC**") has on 27 April 2009 granted a waiver of the requirement for Mr. Zeng Fuzu and his concert party, namely, Ultra Plus Ventures Ltd (the "**Concert Party Shareholders**"), and any other parties acting in concert with him to make a general offer under Rule 14 of the Singapore Code on Take-overs and Mergers (the "**Code**") for the remaining Shares not owned or controlled by them in the event that pursuant to the Rights Issue, the Concert Party Shareholders acquire Shares resulting in their shareholding interest carrying approximately 50.22% of the voting rights of the Company (the "**SIC Waiver**").

The SIC Waiver is subject to the following conditions:

- (a) a majority of the Shareholders, who are independent of Mr. Zeng Fuzu and any parties acting in concert with him, and deemed to be independent for the purposes of the Whitewash Resolution (the "**Independent Shareholders**"), present and voting at the EGM to be convened before the issue of the Rights Shares, approving by way of a poll, a Whitewash Resolution to waive their rights to receive a Mandatory Offer for the Company from the Concert Party Shareholders and any parties acting in concert with him;
- (b) the Whitewash Resolution being set out as a separate resolution from the other resolutions to be considered at the EGM;
- (c) the Concert Party Shareholders, as well as persons not independent of them, abstaining from voting on the Whitewash Resolution;
- (d) the Concert Party Shareholders did not purchase and are not to purchase any Shares or instruments convertible into, rights to subscribe for and options in respect of Shares (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new shares which have been disclosed herein):
 - (i) during the period between the announcement of the Rights Issue and the date on which the Independent Shareholders' approval is obtained for the Whitewash Resolution; and
 - (ii) in the six (6) months prior to the announcement of the Rights Issue but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors in relation to the Rights Issue;

- (e) the Company appointing an independent financial adviser to advise the Independent Shareholders on the Whitewash Resolution;
- (f) the Company setting out clearly in the circular of the Company in relation to the Whitewash Resolution (the “**Circular**”):
 - (iii) details of the Rights Issue and the acquisition of the balance Rights Shares which are not taken up by the other Shareholders under the Rights Issue and which are not subject to the Irrevocable Undertakings (the “**Excess Application Shares**”) by the Concert Party Shareholders in certain specified scenarios under the Rights Issue;
 - (iv) the dilution effect to the existing Shareholders of the acquisition of the Excess Application Shares by the Concert Party Shareholders in certain specified scenarios under the Rights Issue;
 - (v) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of Shares held by the Concert Party Shareholders and any parties acting in concert with him as at the Latest Practicable Date (as defined in the Circular);
 - (vi) the number and percentage of voting rights to be issued to the Concert Party Shareholders in certain specified scenarios under the Rights Issue;
 - (vii) specific and prominent reference to the fact that the issue of Excess Application Shares to the Concert Party Shareholders will result in the Concert Party Shareholders holding Shares carrying over 49% of the voting rights of the Company based on its enlarged issued share capital, and the fact that the Concert Party Shareholders will be free to acquire further shares without incurring any obligation under Rule 14 to make a Mandatory Offer;
 - (viii) specific and prominent reference to the fact that the Independent Shareholders by voting for the Whitewash Resolution, are waiving their rights to a Mandatory Offer from the Concert Party Shareholders at the highest price paid by the Concert Party Shareholders for Shares in the 6 months preceding the Rights Issue;
- (g) that the waiver granted by the SIC to the Concert Party Shareholders from the requirement to make a Mandatory Offer is subject to the conditions set out in sub-paragraphs (a) to (f) above;
- (h) the Company obtaining the SIC’s prior approval in advance for those parts of the Circular that refer to the Whitewash Resolution; and
- (i) to rely on the Whitewash Resolution, the acquisition of the Excess Application Shares by the Concert Party Shareholders must be completed within three (3) months of the approval of the Whitewash Resolution.

CIMB-GK Securities Pte Ltd has been appointed as the IFA to advise the Independent Directors on whether the Whitewash Resolution, when considered in the context of the Rights Issue, is not prejudicial to the interests of the Company and the Independent Shareholders.

Further details on the above as well as the IFA's letter to the Directors who are independent for the purposes of making recommendations on the Whitewash Resolution, will be set out in Appendix I of the Circular to be released by the Company in due course.

BY ORDER OF THE BOARD

Meng Limin
Executive Director and CEO

30 April 2009