

## **UNIONMET (SINGAPORE) LIMITED**

(Incorporated in Singapore)  
(Co Regn No. 200409104W)

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### **ADDITIONAL INFORMATION ON FIRST QUARTER RESULTS ANNOUNCEMENT FOR THE QUARTER ENDED 29 FEBRUARY 2008 (RELEASED ON 10 APRIL 2008)**

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The Board of Directors of Unionmet (Singapore) Limited (the "Company") refers to the Company's first quarter results announcement for the quarter ended 29 February 2008 released on 10 April 2008 (Announcement no. 88) (the "Results Announcement") and would like to provide the following additional information to the Results Announcement.

#### **SGX Query (a)**

**In the announcement of full year results for FY2007, the Company announced that the board expects the production and sales of Indium Tin Oxide to come on stream by the end of 2Q2008, and anticipated it to contribute to the Group's performance in FY2008. What is the status of this? Is the product subject to PRC government regulations such as export tariffs and quotas? If so, what is the Company's basis for expecting this product to contribute to the Group's performance in FY2008, noting that it did not sell any indium since the second half of FY2007.**

The trial production of ITO (Indium Tin Oxide) powder commenced at the end of March 2008. The Group is in the process of testing the quality of the trial production. According to the Group's latest estimated schedule, the production of ITO target should be commencing in early 3Q2008 after the actual production of the ITO powder.

The ITO products are value-added product of Indium. In fact the PRC government encourages the production and export of value-added products such as ITO products. The ITO products will therefore not be subject to any PRC government regulation on export tariffs and quotas.

#### **SGX Query (b)**

**We note the increase in trade payables. Has the Group been paying its suppliers on time? Why is the Group increasing its purchases of direct materials for 1Q2008 when its revenue has reduced significantly in 1Q2008 compared to 1Q2007 and FY2007?**

The Group has been paying its suppliers on time. Trade payables in 1Q2008 were higher than that in the corresponding period last year due mainly to an increase in purchases and slower payment made in 1Q2008 to direct materials suppliers of our by-products.

Sharp drop in market prices of zinc related materials resulted in plenty of supply in the market. Advances to supplier is normally required for stock orders in the past but in 1Q2008, some suppliers even agreed to deliver their stocks to us without placing advances.

The Group increased its purchases of direct materials in 1Q2008 while market price was low in anticipation of increases in market price in the next quarter which would usually be the peak season for zinc industry in PRC.

By Order of the Board  
**UNIONMET (SINGAPORE) LIMITED**

Meng Limin  
Executive Director & Chief Operating Officer

Date: 17 April 2008

Note: The initial public offering of the Company's shares was sponsored by Stirling Coleman Capital Limited (the "Manager"). The Manager assumes no responsibility for the contents of this announcement.