

Unionmet (Singapore) Limited

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

UNAUDITED QUARTERLY FINANCIAL STATEMENT ANNOUNCEMENT FOR THE QUARTER ENDED 31 AUGUST 2011

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF 3rd QUARTER RESULTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

The Board of Directors hereby announces the results of the Group for the 3rd quarter ended 31 August 2011. These figures have not been audited.

1(a)(i) Group Consolidated Statement of Comprehensive Income

| | Group | | |
|---|----------------|------------|-------------------------|
| | US\$'000 | | % |
| | Unaudited | | |
| | 3 months ended | | |
| | 31/8/2011 | 31/8/2010 | Increase/ (Decrease) |
| <u>Continuing operations</u> | | | |
| Revenue | 1,068 | 6,252 | (82.9) |
| Cost of sales | (925) | (5,400) | (82.9) |
| Gross profit | 143 | 852 | (83.2) |
| Other income | 458 | 96 | 377.1 |
| Selling and distribution expenses | (1) | (78) | (98.7) |
| General and administrative expenses | (488) | (459) | 6.3 |
| Other expenses | - | (20) | (100.0) |
| Profit before tax | 112 | 391 | (71.4) |
| Income tax | - | (20) | (100.0) |
| Profit after tax | 112 | 371 | (69.8) |
| | | | |
| <u>Discontinuing operations</u> | | | |
| Net loss from discontinuing operations | (60) | (174) | (65.5) |
| | | | |
| Net profit after tax for the period | 52 | 197 | (73.6) |
| | | | |
| Attributable to owners of the parent | | | |
| Net profit from continuing operations | 112 | 371 | (69.8) |
| Net loss from discontinuing operations | (60) | (174) | (65.5) |
| Net profit for the period attributable to owners of the parent | 52 | 197 | (73.6) |
| | | | |
| <u>Other comprehensive income:</u> | | | |
| Currency translation difference arising from consolidation | 164 | 28 | 485.7 |
| Total other comprehensive income | 164 | 28 | 485.7 |
| | | | |
| Total comprehensive income from continuing operations | 234 | 398 | (41.2) |
| Total comprehensive income from discontinuing operations | (18) | (173) | (89.6) |
| Total comprehensive income for the period attributable to owners of the parent | 216 | 225 | (4.0) |

1(a)(ii) Notes to Group Consolidated Statement of Comprehensive Income

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

| | Group | |
|--|-----------------------|------------------|
| | US\$'000 | |
| | Unaudited | |
| | 3 months ended | |
| | 31/8/2011 | 31/8/2010 |
| <u>Continuing operations</u> | | |
| Depreciation of property, plant and equipment | 12 | 37 |
| Exchange gain, net | (19) | (59) |
| Interest income | (40) | (18) |
| Reversal of inventories write-down, net | (9) | (30) |
| Gain on disposal of property, plant and equipment | (12) | - |
| Gain on disposal of subsidiaries | (303) | - |
| Machinery rental expenses | 1 | 15 |
| Rental expenses | 40 | 62 |
| Subsidy income | (82) | (18) |
| | | |
| <u>Discontinuing operations</u> | | |
| Depreciation of property, plant and equipment | 24 | 111 |
| (Reversal of inventories write-down)/inventories write-down, net | (10) | 29 |
| Machinery rental expenses | 6 | 6 |
| Rental expenses | 1 | 1 |
| Research and development expenses | 4 | 109 |

Breakdown of other income

| | Group | |
|---|-----------------------|------------------|
| | US\$'000 | |
| | Unaudited | |
| | 3 months ended | |
| | 31/8/2011 | 31/8/2010 |
| <u>Continuing operations</u> | | |
| Exchange gain, net | 19 | 59 |
| Interest income | 40 | 18 |
| Sale of scrap materials | 2 | - |
| Gain on disposal of property, plant and equipment | 12 | - |
| Gain on disposal of subsidiaries | 303 | - |
| Subsidy income | 82 | 18 |
| Others | - | 1 |
| Total other income from continuing operations | 458 | 96 |
| <u>Discontinuing operations</u> | | |
| Others | 4 | - |
| Total other income from discontinuing operations | 4 | |

Breakdown of other expenses

| | Group | |
|--|-----------------------|------------------|
| | US\$'000 | |
| | Unaudited | |
| | 3 months ended | |
| | 31/8/2011 | 31/8/2010 |
| <u>Continuing operations</u> | | |
| Loss on sale of raw materials | - | 20 |
| Total other expenses from continuing operations | - | 20 |

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

| | Group | | Company | |
|--|---------------|---------------|---------------|---------------|
| | US\$'000 | | US\$'000 | |
| | Unaudited | Audited | Unaudited | Audited |
| | 31/8/2011 | 30/11/2010 | 31/8/2011 | 30/11/2010 |
| Non-current assets | | | | |
| Property, plant and equipment | 229 | 1,104 | 77 | 93 |
| Deferred tax assets | 2 | 2 | - | - |
| Investments in subsidiaries | - | - | 4,438 | 5,278 |
| | 231 | 1,106 | 4,515 | 5,371 |
| | | | | |
| Current assets | | | | |
| Cash and short-term deposits | 32,788 | 35,090 | 24,208 | 25,274 |
| Trade receivables | 673 | 40 | - | - |
| Other receivables and prepayments | 1,751 | 693 | 73 | 79 |
| Tax recoverable | 6 | 6 | - | - |
| Inventories | 1,782 | 1,130 | 100 | 100 |
| | | | | |
| | 37,000 | 36,959 | 24,381 | 25,453 |
| | | | | |
| Current liabilities | | | | |
| Trade payables | 337 | 11 | - | 2 |
| Other payables | 248 | 731 | 145 | 184 |
| Tax payable | 30 | 261 | - | - |
| | | | | |
| | 615 | 1,003 | 145 | 186 |
| | | | | |
| Net current assets | 36,385 | 35,956 | 24,236 | 25,267 |
| | | | | |
| Non-current liability | | | | |
| Deferred tax liabilities | 57 | 57 | - | - |
| | | | | |
| Net assets | 36,559 | 37,005 | 28,751 | 30,638 |
| | | | | |
| Equity attributable to owners of the parent | | | | |
| Share capital | 32,794 | 32,794 | 32,794 | 32,794 |
| Reserves/(accumulated losses) | 3,765 | 4,211 | (4,043) | (2,156) |
| | 36,559 | 37,005 | 28,751 | 30,638 |

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

| As at 31/8/2011 | | As at 30/11/2010 | |
|------------------------|------------------|-------------------------|------------------|
| Secured | Unsecured | Secured | Unsecured |
| US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| - | - | - | - |

Amount repayable after one year

| As at 31/8/2011 | | As at 30/11/2010 | |
|------------------------|------------------|-------------------------|------------------|
| Secured | Unsecured | Secured | Unsecured |
| US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| - | - | - | - |

Details of any collateral

Not applicable.

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

| | Group | |
|---|----------------|---------------|
| | US\$'000 | |
| | Unaudited | |
| | 3 months ended | |
| | 31/8/2011 | 31/8/2010 |
| Cash flows from operating activities: | | |
| Profit before tax from continuing operations | 112 | 391 |
| Loss before tax from discontinuing operations | (60) | (174) |
| Profit before tax, total | 52 | 217 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 36 | 148 |
| Interest income | (40) | (18) |
| Reversal of inventories write-down, net | (19) | (1) |
| Gain on disposal of property, plant and equipment | (12) | - |
| Gain on disposal of subsidiaries | (303) | - |
| Unrealised exchange loss/(gain), net | 50 | (65) |
| Foreign currency translation | (5) | 26 |
| Operating cash flows used in before working capital changes | (241) | 307 |
| (Increase)/decrease in trade receivables | (693) | 813 |
| (Increase)/decrease in other receivables and prepayments | (680) | 1,301 |
| (Increase)/decrease in inventories | (731) | 2,184 |
| Increase/(decrease) in trade payables | 995 | (45) |
| Increase/(decrease) in other payables | 1,107 | (896) |
| Cash flows (used in)/generated from operations | (243) | 3,664 |
| Income tax refund/(paid) | 1 | (1) |
| Interest received | 40 | 18 |
| Net cash flows (used in)/generated from operating activities | (202) | 3,681 |
| | | |
| Cash flows from investing activities: | | |
| Purchase of property, plant and equipment | (105) | (66) |
| Sales proceed of property, plant and equipment | 16 | - |
| Cash outflow for disposal of subsidiary | (219) | - |
| Net cash flows used in investing activities | (308) | (66) |
| | | |
| Net (decrease)/increase in cash and cash equivalents | (510) | 3,615 |
| Effect of exchange rate changes on cash and cash equivalents | 139 | 69 |
| Cash and cash equivalents at beginning of 3 rd quarter | 33,159 | 28,437 |
| Cash and cash equivalents at end of 3rd quarter | 32,788 | 32,121 |

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

| Group | Share capital | Statutory reserve | Accumulated losses | Foreign currency translation reserve | Total |
|--|---------------|-------------------|--------------------|--------------------------------------|----------|
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Current Period – 3Q2011 | | | | | |
| Opening Balance at 1 June 2011 | 32,794 | 2,108 | (1,740) | 3,181 | 36,343 |
| Profit for the period | - | - | 52 | - | 52 |
| Other comprehensive income | - | - | - | 164 | 164 |
| Total comprehensive income for the period | - | - | 52 | 164 | 216 |
| Closing Balance at 31 August 2011 | 32,794 | 2,108 | (1,688) | 3,345 | 36,559 |
| Previous Period – 3Q2010 | | | | | |
| Opening Balance at 1 June 2010 | 32,794 | 2,029 | (599) | 2,539 | 36,763 |
| Profit for the period | - | - | 197 | - | 197 |
| Other comprehensive income | - | - | - | 28 | 28 |
| Total comprehensive income for the period | - | - | 197 | 28 | 225 |
| Closing Balance at 31 August 2010 | 32,794 | 2,029 | (402) | 2,567 | 36,988 |

| Company | Share capital | Accumulated losses | Total |
|--|---------------|--------------------|----------|
| | US\$'000 | US\$'000 | US\$'000 |
| Current Period – 3Q2011 | | | |
| Opening Balance at 1 June 2011 | 32,794 | (3,726) | 29,068 |
| Loss for the period | - | (317) | (317) |
| Total comprehensive income for the period | - | (317) | (317) |
| Closing Balance at 31 August 2011 | 32,794 | (4,043) | 28,751 |
| Previous Period – 3Q2010 | | | |
| Opening Balance at 1 June 2010 | 32,794 | (677) | 32,117 |
| Profit for the period | - | 130 | 130 |
| Total comprehensive income for the period | - | 130 | 130 |
| Closing Balance at 31 August 2010 | 32,794 | (547) | 32,247 |

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There has been no change in the Company's share capital since the end of the financial year ended 30 November 2010.

There were no shares held as treasury shares and the Company does not have any shares that may be issued on conversion of any outstanding convertibles as at 31 August 2011 and 30 November 2010.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Total number of issued shares as at 31 August 2011 and 30 November 2010 respectively was 613,553,995 shares (no treasury shares).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

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

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

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

Not applicable.

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

The Group has adopted all the new/revised International Financial Reporting Standards ("new/revised IFRSs") that became effective on or after 1 December 2010. Except for the adoption of these new/revised IFRSs as disclosed in item 5, the Group has consistently adopted the same accounting policies and methods of computations as stated in the audited financial statements of the Group for the financial year ended 30 November 2010.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted the applicable new and revised Financial Reporting Standards ("FRS") and Interpretations of Financial Reporting Standards ("INT FRS") which became effective for the accounting periods beginning on or after 1 December 2010.

On 1 December 2010, the Group adopted the new or revised Singapore Financial Reporting Standards (FRS) and Interpretations (INT FRS) that are effective in this financial year. The FRS that is relevant to the Group includes:

FRS 32 (revised) Financial Instruments FRS32 (revised) which requires the classification of Rights Issues is applicable for annual periods beginning on or after 1 February 2010. The FRS32 (revised) addresses the accounting for rights issues (rights, options, or warrants) that are denominated in a currency other than the functional currency of the issuer. The amendments states that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount of any currency are equity instruments, regardless of the currency in which the exercise price is denominated, if the entity offers the rights, options, or warrants pro-rata to all of its existing owners of the same class of its own non-derivative equity instruments.

There was no material impact of such changes in the above-mentioned accounting policies to the Group's results for the quarter ended 31 August 2011.

Other than the above, the same accounting policies and methods of computation as in the Group's most recently audited financial statements for the year ended 30 November 2010 have been applied.

6. Earnings/(losses) per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

| | Group | |
|--|-------------|-------------|
| | 31/8/2011 | 31/8/2010 |
| Earnings per ordinary share from continuing operations of the group, after deducting any provision for preference dividends (in US cents): | | |
| (a) Based on weighted average number of ordinary shares on issue; and | 0.02 | 0.06 |
| Weighted average number of ordinary shares for basic losses per share computation | 613,553,995 | 613,553,995 |
| (b) On a fully diluted basis | 0.02 | 0.06 |
| Weighted average number of ordinary shares adjusted for the effect for dilution | 613,553,995 | 613,553,995 |

| | Group | |
|--|-------------|-------------|
| | 31/8/2011 | 31/8/2010 |
| Losses per ordinary share from discontinuing operation of the group, after deducting any provision for preference dividends (in US cents): | | |
| (a) Based on weighted average number of ordinary shares on issue; and | (0.01) | (0.03) |
| Weighted average number of ordinary shares for basic losses per share computation | 613,553,995 | 613,553,995 |
| (b) On a fully diluted basis | (0.01) | (0.03) |
| Weighted average number of ordinary shares adjusted for the effect for dilution | 613,553,995 | 613,553,995 |

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

| | Group | | Company | |
|--|-------------|-------------|-------------|-------------|
| | 31/8/2011 | 30/11/2010 | 31/8/2011 | 30/11/2010 |
| Net asset value per ordinary share based on issued share capital at the end of the respective periods (in US cents): | 5.96 | 6.03 | 4.69 | 4.99 |
| No. of ordinary shares used in computing net asset value | 613,553,995 | 613,553,995 | 613,553,995 | 613,553,995 |

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

REVIEW OF PERFORMANCE (3Q2011 VS 3Q2010)

CONTINUING OPERATIONS

Revenue

The Group's total revenue decreased by approximately US\$5.2 million or 82.9% to approximately US\$1.1 million for the quarter ended 31 August 2011 ("3Q2011"). This was due mainly to lower sales of indium and zinc-related products.

The reduction in sale of indium was due mainly to a low indium production output by the Company's subsidiary, Guangxi Intai Technology Co., Ltd ("Intai"). This was due to the relatively high raw material prices which averaged RMB5,200 per kg during the months of May 2011 to August 2011 and which would have made it uneconomical to produce indium. In addition, the Group had not been able to produce coarse indium since the first quarter 2011 as production had been affected by the relocation of some of Intai's production facilities and factory buildings as disclosed previously in the Group's second quarter results announcement.

The lower sale of zinc-related products was due mainly to cessation of the zinc processing arrangement between the Company's subsidiary, Liuzhou Union Zinc Industry Co., Ltd ("UnionZinc") and a third party producer, Yinshan Smelting Plant ("Yinshan"), as previously disclosed in the Group's quarter results announcement.

Gross Profit Margin

The Group's gross profit margin remained relatively constant at 13.4% in 3Q2011, compared with a gross profit margin of 13.6% in 3Q2010.

Other Income

Other income increased by approximately US\$362k from US\$96k in 3Q2010 to US\$458k in 3Q2011. This was due mainly to the gain of US\$303k on disposal of Guangxi Crystal Union Photoelectric Materials Co., Ltd ("GCU") and liquidation of Rongan Union Zinc Industry Co., Ltd ("Rongan") as announced via SGXNET on 4 August 2011 and 20 July 2011 respectively. The increase was also due to a higher interest income earned from higher cash balances in 3Q2011 of approximately US\$32.8 million compared to US\$32.1 million in 3Q2010.

Operating Expenses

Selling and distribution expenses decreased by US\$77k to US\$1k in line with the decrease in the activity level of the Group.

General and administrative expenses increased by approximately US\$29k to approximately US\$0.5 million in 3Q2011 due mainly to higher professional fees.

Other expenses in 3Q2011 was US\$Nil. Other expenses in 3Q2010 comprised loss on sale of raw materials of US\$20k.

Profit After Tax

As a result of the aforementioned, the Group recorded a lower profit after tax of approximately US\$0.1 million in 3Q2011, compared to a profit after tax of US\$0.4 million in 3Q2010.

DISCONTINUING OPERATIONS

As announced on 4 August 2011, the disposal of the Group's entire shareholding in GCU, a wholly-owned subsidiary of the Group, had been completed. Since 2Q2011, the revenue and expenses of GCU had been presented as "Net loss from discontinuing operations".

The decrease in net loss from discontinuing operations from US\$0.2 million in 3Q2010 to US\$60k in 3Q2011 was due mainly to the decrease in research and development expenses and lower depreciation on its property, plant and equipment.

The liquidation of Rongan Union Zinc Industry Co., Ltd ("Rongan") had been completed as announced on 20 July 2011. The revenue and expenses of Rongan had been presented as "Net loss from discontinuing operations". As Rongan had been dormant, its contribution to the net loss is minimal.

REVIEW OF FINANCIAL POSITION (3Q2011 VS FY2010)

Non-Current Assets

The Group's non-current assets decreased by approximately US\$0.9 million to US\$0.2 million as at 3Q2011. This was due mainly to the decrease in property, plant and equipment resulting from the disposal of GCU.

The Company's non-current assets decreased by US\$0.8 million due mainly to the removal of the cost of investment in GCU arising from its disposal.

Current Assets

The decrease in cash and short-term deposits by approximately US\$2.3 million and US\$1.1 million for the Group and Company, respectively, was due mainly to payments made for operating expenses of the Group and advances made to suppliers during the year.

Trade receivables increased to US\$673k as at 3Q2011 compared to US\$40k as at FY2010. This was attributable to an amount due from GCU to Intai for indium purchased. The amount due from GCU was reflected in the trade receivables following the completion of disposal of GCU.

Other receivables and prepayments increased by US\$1.1 million in 3Q2011 compared to FY2010 due mainly to amounts owing by GCU and higher advances to suppliers for the Group's indium production. The increase was offset partially by the refund of the deposit made for the land at Si Fang Tang as disclosed previously in the Group's FY2010 full year announcement.

The Group's inventories increased by approximately US\$0.6 million as a result of raw materials purchased towards the end of 3Q2011.

Current Liabilities

The Group's current liabilities decreased from US\$1.0 million as at FY2010 to US\$0.6 million as at 3Q2011. The decrease was due mainly to a decrease in other payables of approximately US\$0.4 million resulting from lower VAT payable and payment of income tax of US\$0.3 million by one of the Group's subsidiary companies.

The decrease was offset partially by an increase in trade payables arising from purchases of raw materials towards the end of 3Q2011.

Non-Current Liabilities

There were no significant variances for FY2010 and 3Q2011.

Shareholders' Equity

Shareholders' equity decreased by US\$0.4 million due mainly to the Group's net loss position for the financial period ended 31 August 2011.

Cash Flow (3Q2011 VS 3Q2010)

The net decrease in cash and cash equivalents for 3Q2011 was due mainly to payments for operating expenses and advances to suppliers.

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

The Group's 3Q2011 results are in line with the Company's 2Q2011 results announcement made via SGXNet on 12 July 2011 that the Group was likely to record reduced production and sales revenue for 3Q2011 and for the financial year ending 30 November 2011.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Pending the completion of its factory at the new location at Liucheng County, PRC, the Company's subsidiary, Intai, is planning to shift out of its current premises by the end of October 2011 and move into the premises currently occupied by GCU at Yang He Industrial Area, Liuzhou City, to continue its indium production. The Group has obtained the land use right of the land at the new location at Liucheng County, PRC. The new factory is expected to be fully operational during the second quarter of the calendar year 2012.

Due to the disruptions caused by the relocation of Intai's production facilities and factory buildings and higher raw material prices as explained in item 8 above, the Group will continue to record reduced production and sales revenue for the financial year ending 30 November 2011 ("FY2011"). As a result, the Group expects to record an operating loss for 4Q2011 and for FY2011.

The industry that the Group operates in continues to be subjected to uncertain demand and the pricing volatility of commodities. The Board and Management expect the Group's business environment to continue to be tough and challenging. The Board remains cautious on the performance of the Group for FY2011.

The Group has on 20 September 2011 obtained shareholders' approval with respect to:

- (1) the expansion of business scope of the Company to include business relating to the production of zinc ingots and zinc related products as well as the trading of (i) ferrous, non-ferrous and precious metals; (ii) kaolin and barite; and (iii) coal and coke; and
- (2) re-allocation of the remaining utilised raised by the Company during its initial public offering ("IPO")

The Board will endeavor to improve the performance of the Group and continue to look out for business opportunities that will help the future growth of the Group.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No dividend has been declared.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for the financial period ended 31 August 2011.

13. Use of Proceeds from the Initial Public Offer and Rights Issue.

The Board of Directors refers to the net initial public offering (“IPO”) proceeds of US\$22 million raised from the IPO of the Company’s shares in January 2007.

As at 31 August 2011, there has been no change in the Company’s utilization of its IPO’s proceeds since last reported as follows:

| Intended Use | Amount Allocated US\$’000 | Amount Utilised US\$’000 | Balance Amount US\$’000 |
|---|----------------------------------|---------------------------------|--------------------------------|
| Expansion of indium ingot production capacity | 4,000 | - | 4,000 |
| Secure additional sources of raw material supply in areas rich in zinc and indium | 6,100 | - | 6,100 |
| Undertake R&D in high value-added products of indium ingots | 3,500 | 3,500 | - |
| General working capital requirements | 8,400 | 8,400 | - |
| Total | 22,000 | 11,900 | 10,100 |

Following the re-allocation of IPO proceeds as announced via SGXNet on 20 September 2011, the table has been revised as follows:

| Intended Use | Amount Allocated US\$’000 | Amount Utilised US\$’000 | Balance Amount US\$’000 |
|--|----------------------------------|---------------------------------|--------------------------------|
| Proposed production of zinc ingots and zinc related products as well as the trading of (i) ferrous, non-ferrous and precious metals; (ii) kaolin and barite; and (iii) coal and coke | 10,000 | - | 10,000 |
| Undertake R&D in high value-added products of indium ingots | 3,500 | 3,500 | - |
| General working capital requirements | 8,500 | 8,400 | 100 |
| Total | 22,000 | 11,900 | 10,100^(a) |

Note:

(a) As at the date of announcement, the Company has utilized US\$0.1 million for general working capital requirements.

The net proceeds of US\$3.27 million (S\$4.71 million) raised from the rights issue have not been utilised as at 31 August 2011.

14. Interested Person Transactions (“IPT”)

The Company does not have any IPT mandate.

15. Negative Assurance Confirmation

We confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of Unionmet (Singapore) Limited which may render these interim financial results for the quarter ended 31 August 2011 to be false or misleading in any material aspect.

For and on behalf of the
Board of Directors of
UNIONMET (SINGAPORE) LIMITED

Zeng Fuzu
Chairman/Non-executive
Director

Meng Limin
Executive Director/CEO

11 October 2011

BY ORDER OF THE BOARD

Meng Limin
Executive Director/CEO
11 October 2011