

UNIONMET (SINGAPORE) LIMITED

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

UPDATE ON TEMPORARY SHUT DOWN OF PRODUCTION PLANTS

The Board of Directors (“the Board”) of Unionmet (Singapore) Limited (“the Company”) refers to its announcement dated 29 December 2008, pursuant to which it was announced that the production plants of its three subsidiaries located in Guangxi, PRC, namely Liuzhou Union Zinc Industry Co., Ltd. (“UnionZinc”), Guangxi Intai Technology Co., Ltd. (“Intai”), and Rongan Union Zinc Industry Co., Ltd. (“Rongan”), would be temporarily shut down from 1 January 2009 until around 14 February 2009.

The Board wishes to provide the following updates:

- (1) The production plant of UnionZinc, which is used to produce zinc ingots, will remain closed indefinitely so as to cut production costs in light of the current challenging economic situation.

During the interim period, UnionZinc will engage a third party producer, Yinshan Smelting Plant in the PRC, to process the Company’s existing raw materials inventory and work-in-progress to zinc ingots for sale to its customers. Processing fees will be paid to Yinshan Smelting Plant based on prevailing market rates for providing such processing services.

None of the directors or substantial shareholders of the Company has any interest in Yinshan Smelting Plant.

The Company expects the said arrangement to continue for three to four months before the situation is re-assessed and will provide an update to shareholders if there is any material development.

- (2) The Company will also cease the rental and operation of the production plant of Rongan for the same reasons of cutting production costs. There will not be any penalties imposed on the Company for premature termination of the rental of such production plant.
- (3) The Company has resumed production at the production plant of Intai on 13 February 2009. The said production plant engages in the production of indium ingots.

On behalf of the Board of
UNIONMET (SINGAPORE) LIMITED

Meng Limin
Executive Director & CEO

19 February 2009