

UNIONMET (SINGAPORE) LIMITED
(the "Company")
(Incorporated in Singapore)
(Company Registration No.: 200409104W)

UPDATE ON THE GOVERNMENT REQUISITION OF LAND USED BY THE COMPANY

Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings as in the Company's announcement in relation to the government requisition of land used by the Company dated 31 July 2009 (the "First Announcement").

1. INTRODUCTION

As disclosed in the First Announcement, the Acquirer, being Liuzhou Land Trading and Reservation Center (柳州市土地交易储备中心), will purchase the Intai Land for a total consideration of RMB3,510,000 (the "**Consideration**") and among others, allocate to Intai 70% of the excess of the auction price of the Intai Land received by the Acquirer over the Consideration (the "**Excess Compensation**"), net of applicable taxes, payable in three (3) tranches as follows:

- (i) 30% upon acquisition of a new piece of land by Intai for Intai's production facilities;
- (ii) 40% upon completion of construction of factory building by Intai; and
- (iii) the remaining 30% upon certification of completion of such factory building issued by the local authorities.

2. UPDATES ON THE EXCESS COMPENSATION

Further to the First Announcement, the Board of Unionmet (Singapore) Limited ("the "**Company**", or together with its subsidiaries, to be referred to as the "**Group**") wishes to announce that after acquiring a new piece of land to relocate its production facilities by Intai, Intai has on 11 November 2011 received a letter (the "**Letter**") from Liuzhou City Finance Bureau (柳州市财政局)(the "**Finance Bureau**"), according to which the Finance Bureau will pay part of the Excess Compensation, being in aggregate RMB10,672,300, to Intai and the Group expects to receive the RMB10,672,300 by the end of November 2011.

Based on the Letter, the Acquirer received in aggregate RMB50,883,600 for transferring the land use right of the Intai Land via auction, after deducting the Consideration, the compensation of RMB670,000 for the existing buildings and structures on the Intai Land, and other costs and expenses of approximately RMB10,836,400 pursuant to the applicable laws and regulations in the PRC.

Pursuant to the "Provisional Measures on the Incentives given for Relocation and Reconstruction of Enterprises" (《关于鼓励企业搬迁改造的暂行办法》), issued by the People's Government of Liuzhou in 2007, where the Excess Compensation is no more than RMB50 million, 70% of the Excess Compensation (net of applicable taxes) will be paid to Intai, and where the Excess Compensation exceeds RMB50 million, 65% of the part of Excess Compensation (net of applicable taxes) which exceeds RMB50 million shall be paid to Intai. The Excess Compensation will be paid to Intai in three (3) tranches as disclosed in paragraph 1 of this Announcement.

Accordingly, in aggregate RMB10,672,300, being first tranche of the RMB35,574,300 (RMB50 million *70% + RMB883,600 *65% = RMB35,574,300), will be paid to Intai by the Finance Bureau on behalf of the Acquirer.

Shareholders and other investors are reminded to exercise caution when dealing in the Shares. In the event that Shareholders and other investors are in doubt when dealing in the Shares, they should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

On behalf of the Board of
UNIONMET (SINGAPORE) LIMITED

Meng Limin
Executive Director & Chief Executive Officer

15 November 2011