



FOR IMMEDIATE RELEASE

**UNIONMET (SINGAPORE) LIMITED LAUNCHES IPO
ON SGX- MAINBOARD**

- ***First indium producer to be listed in Singapore***
- ***Public Offering of 100m Invitation Shares at S\$0.37 each on SGX-ST Mainboard***
- ***Intends to distribute dividend of at least 30% of net profit attributable to shareholders for FY2007***

Singapore, 22 January, 2007 – Unionmet (Singapore) Limited (“Unionmet”, the “Company” or the “Group”), a leading manufacturer and supplier of Indium ingots, has registered its final prospectus with the Monetary Authority of Singapore for a listing on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

Unionmet’s Initial Public Offering (“IPO”) of 100 million New Shares at S\$0.37, comprises 3 million Offer Shares and 97 million Placement Shares, together, representing 27.2% of the enlarged issued capital of 368,132,396 shares.

Said Mr Chen Cong, Chief Executive Officer of Unionmet, “Our listing in Singapore will put us on a stronger footing to compete with global players in the non-ferrous metal industry, in terms of marketing and finances. With the added financial muscles, I believe Unionmet is well-positioned to capture a bigger market share in the industry.”

At S\$0.37 each, Unionmet’s share is priced at a price earnings ratio of 7.5 times, based on the net profit after tax of US\$8.0 million for FY2005 and pre-invitation share capital of 268,132,396 shares. The invitation opens at 12 noon on 23 January, 2007 and closes at 12 noon on 29 January, 2007. Trading of shares is expected to commence at 9:00am on 31 January, 2007.

The Manager for the initial public offering is Stirling Coleman Capital Limited and the Underwriter and Placement Agent is UOB Kay Hian Private Limited.

The net proceeds to be raised, amounting to approximately S\$34.3 million (equivalent to approximately US\$22.0 million), are earmarked for capacity expansion, securing more raw materials and enhancing the Company’s research and development on indium-tin-oxide (ITO), indium phosphide monocrystalline and membrane photovoltaic power generation technologies. The details of the use of the net proceeds are as follows:

1. approximately S\$6.3 million (equivalent to approximately US\$4.0 million) to expand its indium ingot production capacity through the acquisition of production facilities as well as carry out technical and equipment upgrades to its existing indium ingot production facilities through the construction of an additional coarse indium production site and the

installation of the new agitator tanks which will take between 3 to 6 months to complete, to take advantage of economies of scale from increased production.

2. approximately S\$9.5 million (equivalent to approximately US\$6.1 million) to meet the increasing needs for raw materials resulting from the expansion of indium ingot production capacity, by securing additional sources of raw material supply in areas rich in zinc and indium such as Guangxi, Yunnan, Hunan, Fujian, Qinghai and Inner Mongolia by cooperating with, or independently to construct, ore-processing mills to extract zinc concentrate from zinc ore, executing long term contracts with raw material suppliers, other than Liuzhou Nonferrous Group, to obtain exclusive rights to purchase fix quantities of raw materials. Unionmet also intends to use part of the net proceeds to secure the maximum possible supply of indium slag and strip liquor by processing as much zinc concentrate as possible through the leasing of more production facilities for indium slag and strip liquor extraction.
3. approximately S\$5.5 million (equivalent to approximately US\$3.5 million) to undertake R&D in high value-added products of indium ingots (such as ITO, indium phosphide monocrystalline and membrane photovoltaic power generation technology) so as to expand its indium product range and obtain new profit growth.
4. the balance of the net proceeds of S\$13.0 million (equivalent to approximately US\$8.4 million) will be used to meet the Company's general working capital requirements.

Business Profile

Unionmet is a leading manufacturer and supplier of indium ingots for the consumer electronics and solar energy industries. The Group also derives by-products such as zinc ingots, zinc sheet, zinc carbonate and zinc sulphates which they on-sell domestically. These by-products are derived from the indium slag and the strip liquor extraction processes.

Headquartered in Singapore, the Company's production facilities and R&D divisions are located in Liuzhou, Guangxi, PRC. Its ISO 9001:2000 certified plants are equipped to produce approximately 25 metric tonnes of high purity Indium ingots (up to 99.9999% or 6N) annually. Its indium ingots are sold overseas to countries including Korea, Japan, Europe and the USA under its "Intai" brand name, which has gained market recognition for its quality product. Its "Intai" brand was awarded the "Famous Brand Products of Guangxi" in September 2006.

Indium ingots

The Group's core product, indium ingots is an essential raw material used in a wide range of consumer electronics products, especially for flat panel displays, and various high-growth industrial segments.

Indium is rare element in the Earth's crust and commonly found in the process of zinc refining. It is very malleable and ductile and can be easily formed into a wide variety of fabrications. Its unique properties are ideal for cryogenic and vacuum application as it retains its softness at temperatures approaching absolute zero degree.

Indium is chemically processed to form indium-tin-oxide ("ITO") to allow for electrical conductivity and optical transparency. After which, it is applied as electrical contacts onto glass through a process known as sputtering. The finished products can be used as Liquid Crystal Display (LCD) panels on electrical devices such as LCD and plasma television sets, computers and mobile phones.

In addition, indium is also a crucial raw material in the application of solar energy technology. Copper Indium Gallium Selenide (CIGS) is a new semiconductor material (as indium phosphide), used in high-efficiency photovoltaic cells (CIGS cells), in the form of lightweight thin-film photovoltaic. These thin-films serve as the storage mediums for solar energy in industrial and residential applications, including military, space or high-altitude airships and consumer goods.

Said Mr Meng Limin, Executive Director and Chief Operating Officer, "Indium is a rare metal that is in high demand especially in the production of flat panel displays, due to its unique properties. We are confident that the demand for LCDs, mobile phones and other consumer and industrial products related to Indium will continue to grow. Sales of indium ingots contributed approximately 68% or US\$17.1 million of our Group's total revenue for FY2005."

By-products

Through its indium slag and strip liquor extraction processes, Unionmet also produces and sells its by-products, such as zinc ingots, zinc sheets, zinc carbonate and zinc sulphates.

Zinc is used mainly in the production of galvanized steel, which is widely used in the automobile and construction industries. Other commercial applications are in manufacturing brass for electrical applications and hydraulic line fittings.

Alkaline and carbon-zinc batteries are new electric-power storage cells, used in the automotive industry for powering electric vehicles. Zinc carbonate is also widely used in rubber products, paints, medicines and other chemical industries, while zinc sulphates is commonly used in the production of synthetic fibre, pesticides and fertilizers.

"We are really excited about the prospects of Unionmet and we believe that the Company is well positioned for the years ahead. With this listing, we will be able to achieve greater presence in the industry and bring value to our shareholders in the future." According to Mr Chen Cong.

Business and Future Plans

To maintain the Group's competitive edge and grow its business, Unionmet intends to adopt the following business strategies and future plans:-

- i) Expansion of indium ingot production capacity**
- Upon expansion, the Company expects its indium ingot production capacity to increase from 25 metric tonnes per year to 35 metric tonnes per year by technical upgrades through construction of an additional coarse indium production site and the installation of new agitator tanks which will take between 3 to 6 months to complete and acquiring more production facilities and establishing stable and abundant material supply sources.
 - Secure additional sources of raw material supply in areas rich in zinc and indium such as Guangxi, Yunnan, Hunan, Fujian, Qinghai and Inner Mongolia through cooperating with, or independently to construct, ore-processing mills to extract zinc concentrate from zinc ore; and
 - Executing long term contracts with raw material suppliers, other than Liuzhou Nonferrous Group, to obtain exclusive rights to purchase fixed quantities of raw materials.

ii) Further strength our R&D

- In high value-added products of indium ingots (such as ITO, indium phosphide monocrystalline and membrane photovoltaic power generation technology) so as to extend the Company's indium product range and obtain new profit growth.

iii) Securing orders from customers

- In order to ensure its sales to the international market in the long run, the Company is negotiating with several reputable ITO end-users and well-established international traders for new term contracts of up to 9 months in 2006. Going forward, they expect to enter into more term contracts in respect of indium sales with their major customers.

iv) Controlling operating costs

- Unionmet intends to reduce their unit production costs through various cost control and by implementing the Enterprise Resource Planning system ("ERP") in the future.

Financial Highlights

Driven by the increased sales of its higher margin core product, indium ingots, the Group recorded a turnover of US\$25.1 million with a net profit of US\$8.0 million in FY2005. Unionmet intends to distribute at least 30% of the net profit attributable to shareholders for FY2007.

Copies of the Prospectus and Application Forms may be obtained on request, subject to availability, during office hours from Stirling Coleman Capital Limited at 4 Shenton Way, SGX Centre 2, #07-03, Singapore 068807, and the members of the Association of Banks in Singapore, members of the SGX-ST and merchant banks in Singapore. A copy of the Prospectus is also available on the SGX-ST website at <http://www.sgx.com.sg> and the MAS website at <http://masnet.mas.gov.sg/operasdrprosp.nsf>. Anyone wishing to subscribe for the IPO shares will need to make an application in the manner set out in the Prospectus.

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