

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

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**BINDING HEADS OF AGREEMENT IN RELATION TO THE ACQUISITION OF 51% OF BIOFUEL RESEARCH PTE. LTD.**

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The Board of Directors (the “**Board**”) of Unionmet (Singapore) Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has today entered into a binding heads of agreement with OEL Holdings Limited (“**OEL**”) to acquire 51% of the total ordinary shares of Biofuel Research Pte. Ltd. (the “**HOA**”).

**1. INFORMATION ON BIOFUEL RESEARCH PTE. LTD.**

Biofuel Research Pte. Ltd. (“**Biofuel**”) is a Singapore incorporated company with a registered address at 3 Tuas View Close Singapore 637491. It has a paid-up capital of \$3,750,000.00 comprising 2,550,000 ordinary shares in the capital of the company. Biofuel has just completed a new factory on No. 2 Tuas South Street 15 Singapore 637079.

Biofuel pioneered a technology to convert waste cooking oil to biodiesel and has successfully developed a waterless process to produce biodiesel from vegetable oil by-products (fatty acids/acid oils) and non food oils such as sewage grease.

Biofuel was the first renewable energy company to receive equity funding from Spring Singapore under the SEEDS program in 2006 and a 2nd round of Seeds funding in 2009.

**2. PRINCIPAL TERMS OF THE HOA**

Pursuant to the HOA, Unionmet agrees to acquire 1,300,500 ordinary shares, representing 51% of ordinary shares in Biofuel from OEL for a consideration of S\$3.0 million in cash (the “**Acquisition**”).

The Acquisition is subjected to, *inter alia*:

- (a) Satisfactory due diligence by Unionmet;
- (b) Approval by the Board and approval of the shareholders of Unionmet, if required;
- (c) Approval by the board of OEL and approval by the shareholders of OEL, if required;
- (d) All relevant approvals, consents and waivers having been obtained from the existing shareholders;
- (e) Consent of Hong Leong Finance Limited (acting as lender under the construction loan) and
- (f) Any other regulatory requirements.

Subject to the necessary approvals and other conditions, the parties shall enter into a definitive Sale and Purchase Agreement (“SPA”) within one (1) month of the signing of the HOA or any other dates as mutually agreed between the parties. Completion shall take place within three (3) months of signing the SPA.

### 3. FINANCIAL EFFECTS

For illustrative purposes only, the proforma financial effects of the Acquisition on the share capital of the Company, the net tangible asset value (“NTA”) per ordinary share in the capital of the Company (the “Share”) and earnings per Share (“EPS”), based on the audited consolidated financial statements of the Group for the financial year ended 30 November 2013 (“FY2013”) and the terms in the HOA, are set out below:-

(a) Share Capital

The Acquisition will have no impact on the number of issued Shares of the Company.

(b) NTA per Share – FY2013

Assuming that the Acquisition had been effected on 30 November 2013, the effects of the Acquisition on the NTA per Share as at 30 November 2013, based on the Group’s FY2013 financial statements, would be as follows:-

	Before the Acquisition	After the Acquisition
NTA per Share for FY2013 (US cents)	5.67	5.83 <sup>(1)</sup>

(c) EPS – FY2013

Assuming that the Acquisition had been completed on 1 December 2013 and was funded by internal resources the impact of the Acquisition on the EPS of the Group would be as follows:-

	Before the Acquisition	After the Acquisition
EPS for FY2013 (US cents)	(0.51)	(0.58) <sup>(2)</sup>

<sup>1</sup> Based on Biofuel’s audited Statement of Financial Position as at 31 December 2013

<sup>2</sup> Based on Biofuel’s audited Statement Profit or Loss and Other Comprehensive Income for the year ended 31 December 2013

#### 4. RELATIVE FIGURES ON THE BASES SET OUT IN RULE 1006 OF THE SGX-ST LISTING MANUAL

The relative figures in relation to the Acquisition computed on the applicable bases set out in Rule 1006 of the Listing Manual of the SGX-ST (the "**Listing Manual**"), based on the Group's audited consolidated financial statements for FY2013, being the latest announced audited consolidated financial statements of the Group are as follows:

<b>Rule 1006(a)</b>	Net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable as this is an acquisition
<b>Rule 1006(b)</b>	Net profit attributable to the Acquisition, compared with the Group's net profit	13.36% <sup>(3)</sup>
<b>Rule 1006(c)</b>	Consideration given for the Acquisition compared with the Company's market capitalisation	7.46% <sup>(4)</sup>
<b>Rule 1006(d)</b>	Number of equity securities issued by the Company as consideration for the Acquisition, compared with the number of equity securities previously in issue	Not applicable as the Company did not issue equity securities as consideration for the Acquisition

As the applicable relative figures computed under Rule 1006(b) and 1006(c) of Listing Manual exceed 5% but do not exceed 20%, the Acquisition constitutes a "Discloseable Transaction" as defined in Chapter 10 of the Listing Manual of the SGX-ST.

#### 5. RATIONALE FOR ENTERING INTO THE HOA

The HOA represent the Company's intention to expand into the oil blending business and to diversify from its existing mineral trading business.

Biofuel is a company with proven innovative technologies in the area of biodiesel with ready processing facilities to expand. While it is not in full commercial production, the Directors believe that significant risks in research and development, construction and production have been mitigated and the Acquisition at this stage provides potential upside. The Acquisition will be funded from internal resources.

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<sup>3</sup> Based on the Group's audited net loss before tax of US\$3.20 million for the financial year ended 30 November 2013 and Biofuel's audited net loss before tax of S\$0.53 million for the financial year ended 31 December 2013 (using average exchange rate of 0.8048)

<sup>4</sup> The market capitalisation of the Company is based on 670,120,238 Shares in issue as at 23 June 2014 (being the last trading day immediately preceding the date of the HOA) and the last traded price of S\$0.06 of the Shares transacted on the SGX-ST on the same date of S\$40.2 million.

## 6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors (other than in his capacity as a Director or Shareholder) or controlling Shareholders (other than in his capacity as a Shareholder) has any interest, direct or indirect, in the HOA or in Biofuels.

## 7. DOCUMENTS FOR INSPECTION

The HOA is available for inspection during normal business hours at the registered office of the Company at 8 Shenton Way, AXA Tower, #42-02, Singapore 068811 during normal business hours for a period of three (3) months from the date of this announcement.

## 8. FURTHER INFORMATION

The Company will update the shareholders of the Company on any new and significant developments arising from this arrangement. **In the meantime, shareholders and other investors are advised to exercise caution when dealing or trading in the shares of the Company. Shareholders and other investors should consult their stockbrokers, bank managers, solicitors, accountants, or other professional advisers, if they have any doubt about the actions they should take.**

BY ORDER OF THE BOARD  
Unionmet (Singapore) Limited

LI HUA  
Executive Chairman and Chief Executive Officer  
24 June 2014

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### About Unionmet (Singapore) Limited

Unionmet (Singapore) Limited was listed on SGX Mainboard in 2007. The Group provides services in (i) manufacturing and trading of non-ferrous metals comprising indium ingots, and their related by-product; and (ii) the trading of (a) ferrous, non-ferrous and precious metals; (b) kaolin and barite; and (c) coal and coke. The Group is currently taking steps to diversify the Group's business to include property development and oil blending and distribution.