

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

SIGNING OF MEMORANDIUM OF UNDERSTANDING WITH INSTITUTE OF CHEMICAL & ENGINEERING SCIENCES

The Board of Directors (the “**Board**”) of Unionmet (Singapore) Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that its wholly-owned subsidiary, USP Industrial Pte Ltd (“**USPI**”) has today entered into a memorandum of understanding (the “**MOU**”) with Institute of Chemical & Engineering Sciences (“**ICES**”) to work together on research and development activities in the oil blending business within “Technology for Enterprise Capability Upgrading Initiative” (the “**T-UP Initiative**”).

1. INFORMATION ON ICES AND T-UP INITIATIVE

ICES, one of the Research Institutes (the “**RIs**”) under Agency for Science, Technology and Research (the “**A*STAR**”), was established on 1 October 2002 in order to bolster the local science and technology base, as well as develop technology and infrastructure to support future growth of Singapore.

T-UP Initiative enables local enterprises to access the pool of R&D talent in the RIs. Local enterprises can engage Research Scientists and Engineers (the “**RSEs**”) to identify suitable R&D or innovation projects for upgrading their operations as well as implement the identified R&D innovation projects for a period up to two years.

The MOU illustrates the research and development opportunities in the oil blending industry and its strategic significance to Singapore. Singapore is Asia leading oil trading hub and the world’s third largest oil and oil products trading hub.

2. BENEFITS OF T-UP INITIATIVE TO USPI

Pursuant to MOU, ICES will be seconding highly skilled research scientists and engineers to USPI to work together on research and development activities in the oil blending business. USPI will be able to hire these individuals at a subsidised rate, with the SPRING Singapore, bearing up to seventy percent of the salaries and related costs of the manpower.

Any foreground intellectual properties developed as a result of this T-UP Initiative will belong to USPI.

3. RATIONALE FOR ENTERING INTO THE MOU

The Group has announced its intention to diversify its business into oil blending and has for the past few months exploring new technologies internationally. We have shortlisted several technologies, including but not limited to the processing and production of emulsified fuels and biofuels and have been running efficiency and reliability tests. Current technical expertise has been provided through experts from the East China University of Science and Technology which has one of the most established petroleum refining departments in China.

The Board believes the collaboration with a Singapore research institute such as ICES will provide the technical skillsets and expertise to assist the Group in further testing, evaluating and enhancing the new technologies and localisation of this business. Moreover, the T-Up Initiative will supplement the Group's research and development investment in skilled manpower.

4. FINANCIAL EFFECTS

This MOU is not expected to have any material financial impact for Group's current financial year ending 30 November 2014.

5. DOCUMENTS FOR INSPECTION

The MOU 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.

6. 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
3 July 2014

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.