



**UNION STEEL HOLDINGS LIMITED**

Co Reg. No.: 200410181W

(Incorporated in the Republic of Singapore)

(Company Registration No. 200410181W)

(the "Company")

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## PROPOSED SHARE SPLIT OF EVERY ONE (1) ORDINARY SHARE IN THE CAPITAL OF THE COMPANY INTO THREE (3) ORDINARY SHARES

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### 1. INTRODUCTION

The board of directors ("**Board**" or "**Directors**") of Union Steel Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**"), wishes to announce that the Company is proposing a share split of every one (1) existing ordinary share in the capital of the Company (the "**Share**") held by the shareholders of the Company (the "**Shareholders**"), on a record date to be determined by the Board (the "**Record Date**"), into three (3) Shares (the "**Proposed Share Split**"). Upon the completion of the Proposed Share Split, the Company shall have an issued and paid-up share capital of S\$35,202,719.68, comprising 118,134,300 Shares.

### 2. TERMS OF THE PROPOSED SHARE SPLIT

The Company proposes to split every one (1) existing Share into three (3) Shares.

As at the date of this announcement, the Company has an issued and paid-up share capital of S\$35,202,719.68 comprising 39,378,100 Shares. Following the completion of the Proposed Share Split and assuming that no further new Shares are issued by the Company on or prior to the completion of the Proposed Share Split, an additional 78,756,200 Shares (the "**Additional Shares**") will be allotted and issued, and the Company will have an issued and paid-up share capital of S\$35,202,719.68 comprising 118,134,300 Shares.

Shareholders are not required to make any payment to the Company in respect of the Proposed Share Split. All Shares after the Proposed Share Split shall rank *pari passu* with one another.

The Additional Shares will be issued to the Shareholders whose names appear in the register of members of the Company or who have Shares entered against their names in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore) as at the Record Date to be determined by the Board, on the basis of the number of such Shares registered in their names or standing to the credit of their securities accounts as at the Record Date. The Company will make a further announcement regarding the Record Date after obtaining all the necessary approvals for the Proposed Share Split.



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### **3. RATIONALE FOR THE PROPOSED SHARE SPLIT**

The Board believes that the Proposed Share Split will be beneficial to the Company and its Shareholders for the following reasons:

#### **a) Reduced price of each Share and increased market liquidity of the Shares**

The reduced price of each Share after the Proposed Share Split will make each Share more affordable to investors, thus encouraging greater participation by and providing greater flexibility in terms of the size of the trades to investors with different investment profiles. Furthermore, the reduced price of each Share would make the Shares more accessible and attractive to both existing and potential investors, hence enhancing the trading liquidity of the Shares; and

#### **b) Broaden the base of Shareholders**

The number of Shareholders after the Proposed Share Split may increase with the increase in the number of Shares available for trading purposes. As such, the Proposed Share Split may broaden the shareholder base of the Company by improving accessibility of investment in the Company to new investors.

Please note that notwithstanding the above, there is no assurance that the intended effect of the Proposed Share Split as set out above can be achieved, nor is there any assurance that such effect can be sustained in the longer time.

### **4. APPROVALS**

The Proposed Share Split is subject to: -

- (1) the approval-in-principle by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing of and the quotation for the Additional Shares arising from the Proposed Share Split; and
- (2) approval from the Shareholders by way of an ordinary resolution at an extraordinary general meeting of the Company to be convened.

A circular to the Shareholders will be circulated in due course, to provide Shareholders with key information relating to the Proposed Share Split, and to seek Shareholders’ approval for the Proposed Share Split. The Company will also make an application to the SGX-ST for the listing and quotation of the Additional Shares on the SGX-ST arising from the Proposed Share Split in due course.



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## **5. APPLICATION FOR WAIVER FROM COMPLIANCE WITH RULE 838 OF THE LISTING MANUAL**

### **5.1. Background**

Pursuant to Rule 838 of the Listing Manual, an issuer must satisfy the SGX-ST that its daily weighted average price, adjusted for the subdivision of shares, will not be less than S\$0.50.

For illustration purposes only, and assuming that the Proposed Share Split had been completed on 6 November 2023, the theoretical price for each Share traded after the Proposed Share Split would be S\$0.338 (based on the daily weighted average price of each Share for trades done on the Mainboard of the SGX-ST on 6 November 2023 of S\$1.015).

Accordingly, the Company had on 11 August 2023 submitted an application to the SGX-ST to seek a waiver on the requirement under Rule 838 of the Listing Manual which requires the Company to satisfy the SGX-ST that its daily weighted average price, adjusted for the subdivision of shares, will not be less than S\$0.50 (the “**Waiver**”).

### **5.2. Reasons for seeking the Waiver**

Based on the Company's computation of its daily weighted average price for the month preceding the Proposed Share Split application, the theoretical price for each Share traded after the Proposed Share Split is likely to be below S\$0.50. However, the Company is inclined to proceed with the Proposed Share Split for the reasons as set out above in paragraph 3. Accordingly, the Company had sought SGX-ST's clearance to proceed with the Proposed Share Split.

### **5.3. Waiver application**

The Board wishes to announce that the Company had received a letter from SGX-ST on 3 November 2023 informing the Company that the SGX-ST has no objection to granting the Waiver, subject to the conditions under paragraph 5.4 below. The Waiver took into consideration, amongst others, the following:

- a) An unmodified audit opinion for the past three (3) financial years;
- b) The Company's track record of profitability based on the audited financial statements for the past three (3) financial years;
- c) The Company recording an audited net asset value per Share of more than S\$0.50 for the past three (3) financial years; and
- d) The Company's track record of compliance with the SGX-ST Listing Rules.



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#### 5.4. **Conditional approval to Waiver**

The Waiver is granted subject to the following:

- a) The Company promptly making an announcement, stating the terms of the Proposed Share Split;
- b) The Company making an application for the listing of the subdivided shares in accordance with the requirements for the listing of additional securities under Chapter 8 of the Listing Manual;
- c) The Company convening a general meeting to seek specific shareholders’ approval for the Proposed Share Split; and
- d) The Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Rule 107 of the Listing Manual and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met.

The Company has complied with the above condition (a) and (d). The Company will be making an application for the listing of the subdivided shares and will be convening an extraordinary general meeting in due course as mentioned under paragraph 4 above, in accordance with condition (b) and condition (c) respectively. The Company will make further announcements to update its shareholders as may be necessary or appropriate.

#### 6. **INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors or the substantial shareholders of the Company or their respective associates have any interest, direct or indirect, in the Proposed Share Split other than through their respective shareholdings in the Company.



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## **7. DIRECTORS’ RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Share Split, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

## **8. CAUTIONARY STATEMENT**

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests and to exercise caution when dealing in the securities of the Company. In the event of any doubt, the shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors.

## **BY ORDER OF THE BOARD**

Ang Yu Seng  
Executive Chairman and Chief Executive Officer  
7 November 2023