

CIRCULAR DATED 23 JANUARY 2024

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Circular is issued by Union Steel Holdings Limited (the “Company”, together with its subsidiaries, the “Group”). If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your Shares in the capital of the Company, you should immediately forward this Circular, together with the Notice of the Extraordinary General Meeting and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular has been made available on SGXNET and may be accessed on the Company’s corporate website at the URL <https://www.unionsteel.com.sg/>, as well as on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular.



(Incorporated in the Republic of Singapore)
(Company Registration No. 200410181W)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

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

IMPORTANT DATES AND TIMES

Last date and time for lodgement of the Proxy Form : 5 February 2024 at 10.00 a.m.

Date and time of the Extraordinary General Meeting : 7 February 2024 at 10.00 a.m.

Place of the Extraordinary General Meeting : 33 Pioneer Road North Singapore 628474

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DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires:

“Additional Shares”	:	78,756,200 new Shares arising from the Proposed Share Split
“Board” or “Directors”	:	The directors of the Company as at the date of this Circular
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 23 January 2024 issued by the Company
“Companies Act”	:	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
“Company”	:	Union Steel Holdings Limited
“Constitution”	:	The Constitution of the Company, as may be amended or modified from time to time
“EGM”	:	The extraordinary general meeting of the Company to be held on 7 February 2024 at 10 a.m., notice of which is set out on pages 16 to 19 of this Circular
“EPS”	:	Earnings per share
“Group”	:	The Company and its subsidiaries as at the date of this Circular
“Latest Practicable Date”	:	15 January 2024, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The listing manual of the SGX-ST and its relevant rules, as amended, modified or supplemented from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Notice of EGM”	:	The notice of the EGM set out on pages 16 to 19 of this Circular
“NTA”	:	Net tangible assets
“Proposed Share Split”	:	The proposed share split of every one (1) existing Share in the capital of the Company into three (3) Shares
“Proxy Form”	:	The proxy form in respect of the EGM as attached to this Circular

“Record Date”	:	The time and date, to be determined by the Directors, at and on which the Register of Members and the share transfer books of the Company will be closed to determine the entitlements of the Shareholders under the Proposed Share Split
“Register of Members”	:	The principal register of members (duly registered holders of shares) of the Company
“Resolution”	:	The ordinary resolution to approve the Proposed Share Split as set out in the Notice of EGM
“Securities Account”	:	A securities account maintained by a Depositor with CDP (but does not include a securities sub-account maintained with a Depository Agent)
“SFA”	:	The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“SGXNET”	:	Singapore Exchange Network, the corporate announcement system maintained by the SGX-ST for the submission of information and announcements by listed companies
“Share Registrar”	:	B.A.C.S. Private Limited
“Shareholders”	:	The registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with those Shares
“Shares”	:	Ordinary shares in the issued share capital of the Company
“Substantial Shareholder”	:	A person who has an interest or interest in Shares, the nominal amount of which is not less than 5.0% of the aggregate of the nominal amount of all the voting shares of the Company
“SRS”	:	Supplementary Retirement Scheme
“Waiver”	:	Has the meaning ascribed to it in Section 2.3.2 of the Circular
“Waiver Application”	:	Has the meaning ascribed to it in Section 2.3.2 of the Circular
“Waiver Conditions”	:	Has the meaning ascribed to it in Section 2.3.3 of the Circular
“%” or “per cent”	:	Percentage or per centum
“SGD” and “cents”	:	The lawful currency of the Republic of Singapore

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

The term “**substantial shareholder**” shall have the meaning ascribed to it in the Listing Manual.

The term “**subsidiary**” shall have the same meaning ascribed to it in Section 5 of the Companies Act.

Except where specifically defined, the terms “**we**”, “**us**” and “**our**” in this Circular refers to the Group.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter gender and *vice versa*. References to persons shall, where applicable, include corporations.

Any discrepancies in tables included herein between the amounts in the columns of the tables and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted up to the Latest Practicable Date. Any term defined under the Companies Act, the SFA or the Listing Manual or any modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA or the Listing Manual or any modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any discrepancies in figures included in this Circular between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures that precede them.

As at the Latest Practicable Date, there are 39,378,100 issued Shares of the Company (excluding treasury shares). The Company does not hold any treasury shares. All percentages calculated with reference to the issued Shares are rounded to the nearest two decimal places.

LETTER TO SHAREHOLDERS

UNION STEEL HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 200410181W)

Mr Ang Yu Seng (Executive Chairman and Chief Executive Officer)
Mr Ang Yew Chye (Executive Director)
Mr Siau Kai Bing (Lead Independent Director)
Mr Wong Loke Tan (Independent Director)
Ms Tan Min-Li (Independent Director)
Mr Goi Kok Ming (Non-Executive Director)

Registered Office:
33 Pioneer Road North
Singapore 628474

Date: 23 January 2024

To: The Shareholders of Union Steel Holdings Limited

Dear Sir/Madam,

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

1. INTRODUCTION

1.1 Background

On 7 November 2023, the Company announced the Proposed Share Split of every one (1) existing Share held by the Shareholders on the Record Date into three (3) Shares, the completion of which (based on the share capital of the Company as at the Latest Practicable Date) will result in the Company having an issued and paid-up share capital of S\$35,202,719.68, comprising 118,134,300 Shares.

The Company had further announced on 7 November 2023 that (i) it had, on 11 August 2023, made a Waiver Application to the SGX-ST seeking a waiver from the strict compliance of Rule 838 of the Listing Manual which requires the issuer 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; (ii) the SGX-ST had, on 3 November 2023, informed the Company that the SGX-ST had no objection to the Waiver Application subject to the Waiver Conditions (details of which can be found under Section 2.3 of this Circular); and (iii) the Company will be seeking, amongst other things, approval from the Shareholders on the Proposed Share Split by way of an ordinary resolution at an extraordinary general meeting to be convened.

1.2 Purpose of Circular

The purpose of this Circular is to provide Shareholders with relevant information relating to the Proposed Share Split, and to seek Shareholders' approval for the Proposed Share Split at the EGM. The Notice of the EGM is set out on pages 16 to 19 of this Circular.

1.3 Cautionary statements

The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in the Circular.

LETTER TO SHAREHOLDERS

2. THE PROPOSED SHARE SPLIT

2.1 Terms of the Proposed Share Split

The Company proposes to split every one (1) existing Share into three (3) Shares. As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$35,202,719.68 comprising 39,378,100 Shares.

Upon completion of the Proposed Share Split, assuming there is no change in the number of issued Shares from the Latest Practicable Date up to the completion of the Proposed Share Split, an additional 78,756,200 Shares, being 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, except that the Additional Shares will not be entitled to any dividends, rights, allotments or other distributions, the record date of which falls before the date of issue of the Additional Shares. For this purpose, “**record date**” means the date fixed by the Company in relation to any dividends, rights, allotments or other distributions on which Shareholders must be registered with the Company or the CDP in order to participate in such dividends, rights, allotments or other distributions.

2.2 Rationale for the Proposed Share Split

The Directors believe that the Proposed Share Split is 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.

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.

For illustration purposes only and assuming that the Proposed Share Split had been completed on the Latest Practicable Date, the theoretical price for the Shares traded after the Proposed Share Split would be S\$0.343, as elaborated under Section 2.9 of this Circular.

LETTER TO SHAREHOLDERS

Shareholders should note, however, that there can be no assurance that the intended effect of the Proposed Share Split above can be achieved, nor is there any assurance that such effect can be sustained in the longer term. Shareholders should also note that there can be no assurance that the market price of the Shares after the completion of the Proposed Share Split would be equal to or higher than the theoretical price following the Proposed Share Split.

2.3 Waiver from Rule 838 of the Listing Manual

- 2.3.1 Pursuant to Rule 838 of the Listing Manual, the Company 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 (the **“Minimum Price”**).
- 2.3.2 Based on the historical share prices of the Company’s Shares for the period between 11 August 2022 to 10 August 2023, the Company believes that the share price of each Share after the Proposed Share Split will be below the Minimum Price. However, the Company is inclined to proceed with the Proposed Share Split for the reasons set out under Section 2.2 of this Circular. Accordingly, the Company had on 11 August 2023 applied to the SGX-ST (the **“Waiver Application”**) to seek a waiver on the requirement under Rule 838 of the Listing Manual (the **“Waiver”**). For illustration purposes only, and assuming that the Proposed Share Split had been completed on 11 August 2023, the theoretical price for the Shares traded after the Proposed Share Split would have been S\$0.273 (based on the daily weighted average price of the Shares for trades done on the Mainboard of the SGX-ST on 10 August of S\$0.82).
- 2.3.3 The SGX-ST had on 3 November 2023 granted the Waiver, subject to certain conditions as listed below (the **“Waiver Conditions”**):
- 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.
- 2.3.4 On 7 November 2023, the Company announced the terms of the Proposed Share Split as well as the Waiver granted by SGX-ST, in satisfaction of the Waiver Condition under Section 2.3.3(a) and 2.3.3(d) of this Circular respectively. The Company had, on 28 November 2023, made an application to the SGX-ST for the listing of the subdivided shares, in satisfaction of the Waiver Condition under Section 2.3.3(b) of this Circular (please refer to Section 2.4 below for more details on this). As at the Latest Practicable Date, save for the Waiver Condition under Section 2.3.3(c) of this Circular in respect of approval of Shareholders for the Proposed Share Split (which is the subject of this Circular), all the Waiver Conditions have been satisfied.

LETTER TO SHAREHOLDERS

2.3.5 The SGX-ST had also stated that the Company is required to make immediate disclosure via SGXNet if it is / will be in contravention of any laws and regulations governing the Company and the Constitution of the Company arising from the Waiver. The Company confirms that it is not and will not be in contravention of any laws and regulations governing the Company and the Constitution of the Company arising from the Waiver.

2.3.6 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 Manual.

2.4 Conditions for the Proposed Share Split

The Proposed Share Split is subject to approval from the Shareholders for the Proposed Share Split at the forthcoming EGM.

The Proposed Share Split is also subject to the approval-in-principle by the SGX-ST for the listing of, and the quotation for, the Additional Shares arising from the Proposed Share Split. The Company had, on 28 November 2023, submitted an application to the SGX-ST for the listing of, and the quotation for, the Additional Shares and had on 5 January 2024, received in-principle approval for the listing and quotation of the Additional Shares.

The aforementioned in-principle approval is subject to:

- a) The Company's compliance with the SGX-ST's requirements for the listing of additional securities in accordance with Chapter 8 of the Mainboard listing rules; and
- b) Shareholders' approval for the Proposed Share Split.

It should be noted that the listing and quotation notice (the "LQN"), if issued by the SGX-ST, is not to be taken as an indication of the merits of the Proposed Share Split, the Additional Shares arising from the Proposed Share Split, the Company, its subsidiaries and their securities. No Record Date will be fixed until the SGX-ST has issued the LQN in respect of the Proposed Share Split.

2.5 Post Proposed Share Split Share Capital

None of the Shares are subject to a moratorium. Further, as at the Latest Practicable Date, the Company does not have any outstanding or existing warrants or other convertibles.

Following the completion of the Proposed Share Split, the Company will have an issued and paid-up share capital of S\$35,202,719.68 comprising 118,134,300 Shares.

LETTER TO SHAREHOLDERS

2.6 Financial Effects of the Proposed Share Split

a) Share Capital

For illustration purposes only, the financial effects of the Proposed Share Split on the Company's issued and paid-up share capital as at the Latest Practicable Date, are set out below:

	Before the Proposed Share Split	After the Proposed Share Split
Issued and Paid-Up Share Capital (S\$)	35,202,719.68	35,202,719.68
Number of Shares	39,378,100	118,134,300

b) NTA

For illustration purposes only, the financial effects of the Proposed Share Split on the Group's NTA, based on the latest audited financial statements of the Company for the financial year ended 30 June 2023 and assuming that the Proposed Share Split had been completed on 30 June 2023, are set out below:

	Before the Proposed Share Split	After the Proposed Share Split
NTA (S\$)	69,218,000	69,198,000 ⁽¹⁾
Number of Shares	39,378,100	118,134,300
NTA per Share (cents)	175.78	58.58

Note:

(1) The decrease in NTA after the Proposed Share Split was due to the further deduction of the estimated legal, professional and administrative cost incurred due to the Proposed Share Split.

c) EPS

For illustration purposes only, the financial effects of the Proposed Share Split on the EPS of the Group, based on the latest audited financial statements of the Company for the financial year ended 30 June 2023 and assuming that the Proposed Share Split had been completed on 1 July 2022, are set out below:

	Before the Proposed Share Split	After the Proposed Share Split
Profit attributable to Shareholders (S\$)	11,003,000	10,983,000 ⁽¹⁾
Number of Shares	39,378,100	118,134,300
EPS (cents)	27.94	9.30

Note:

(1) The decrease in profit attributable to shareholders after the Proposed Share Split was due to the further deduction of the estimated legal, professional and administrative cost incurred due to the Proposed Share Split.

LETTER TO SHAREHOLDERS

2.7 Gearing

The Proposed Share Split will not have any effect on the gearing of the Group.

2.8 Dividends

In respect of the financial year ended 30 June 2023, the Company had declared and paid a one-tier tax exempt final dividend of S\$0.05 per Share amounting to a total amount of S\$1,968,905.

The Board is of the opinion that the Proposed Share Split will not have any effect on the ability of the Company to make dividend payments in the future. Subject to any unforeseen circumstances which may affect the financial performance of the Group, the Directors expect to maintain the quantum of dividends declared and paid in respect of the financial year ended 30 June 2023. However, any recommendation for future dividends will be subject to factors, including but not limited to the Group's cash flow, financial position, expansion requirements, working capital requirements, the payment by the Company's subsidiaries of cash dividends and the Group's future prospects.

2.9 Theoretical Price of the Shares after the Proposed Share Split

Assuming that the Proposed Share Split had been completed on the Latest Practicable Date, and based on the daily weighted average price of each Share for trades done on the SGX-ST on the Latest Practicable Date of S\$1.03, the theoretical price for the Shares traded after the Proposed Share Split would be S\$0.343.

2.10 Procedures for the Proposed Share Split

Persons registered in the Register of Members and Depositors whose Securities Accounts are credited with Shares as at the Record Date will be included for the purpose of the Proposed Share Split 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 Record Date for the purpose of determining the Shareholders' entitlements under the Proposed Share Split will be announced by the Company in due course.

2.11 Deposit of Share Certificates with CDP

Shareholders who hold physical share certificate(s) for the Shares in their own names ("**Existing Share Certificates**") and who wish to deposit the same with CDP and have their Additional Shares (after the Proposed Share Split) credited to their Securities Accounts maintained with CDP, must deposit their Existing Shares Certificates, together with the duly executed instruments of transfer in favour of CDP, not later than twelve (12) Market Days prior to the Record Date.

After the Record Date, CDP will only accept the deposit of physical share certificates reflecting the number of Shares after the Proposed Share Split in their own names (the "**New Share Certificates**"). Shareholders who wish to deposit their physical share certificates with CDP after the Record Date must first deliver their Existing Share Certificates to the Share Registrar at 77 Robinson Road #06-03 Robinson 77 Singapore 068896, for cancellation and issue of the New Share Certificates in replacement thereof as described below. The New Share Certificates will then be sent by ordinary mail to the registered addresses of the Shareholders at their own risk within ten (10) Market Days from the date of receipt of the Existing Share Certificates. Upon receipt of the New Share Certificates, Shareholders may then proceed to deposit these New Share Certificates with CDP.

LETTER TO SHAREHOLDERS

2.12 Shareholders' Entitlement and New Share Certificates

Depositors whose Securities Accounts are credited with Shares as at the Record Date will be attributed the number of Shares pursuant to the Proposed Share Split based on the number of Shares standing to the credit of their Securities Accounts as at the Record Date.

Shareholders who have not deposited their Existing Share Certificates as aforesaid or who do not wish to deposit their Existing Share Certificates with CDP are advised to forward all their Existing Share Certificates to the Share Registrar at 77 Robinson Road #06-03 Robinson 77 Singapore 068896, as soon as possible after the EGM for cancellation and exchange for the New Share Certificates.

New Share Certificates to be issued pursuant to the Proposed Share Split will be sent within ten (10) Market Days of the Record Date to:

- a) Shareholders who are Depositors, by sending the same to CDP; and
- b) Shareholders who are not Depositors, by ordinary post at their respective addresses shown in the Register of Members or in the case of joint holders, to the first named holder at his registered address, at the sole risk of the holders.

No receipt will be issued by the Share Registrar for the physical share certificates tendered. Shareholders who hold physical share certificates are reminded that their Existing Share Certificates are no longer good for settlement of trading in the Shares on the SGX-ST (as the Company is under a book-entry (scripless) settlement system) but will continue to be accepted for cancellation and issue of New Share Certificates in replacement thereof for an indefinite period by the Share Registrar. The Existing Share Certificates and the New Share Certificates will not be valid for delivery pursuant to trades done on the SGX-ST although they will continue to be *prima facie* evidence of legal title.

Shareholders who have lost any of their Existing Share Certificates or whose addresses have been changed from those reflected in the Register of Members should notify the Share Registrar immediately. Shareholders being Depositors whose addresses have been changed from those reflected with CDP should notify CDP immediately.

2.13 Trading of Shares arising from the Proposed Share Split

Trading of the Shares (on a post-split basis) will commence prior to the Record Date on account of the fact that trades on the SGX-ST are settled on a "T+2" settlement cycle, that is, a purchase or sale of Shares on a particular day (T) will be settled two (2) Market Days later (T+2). Accordingly, for trading purposes:

- a) trading in the Shares (on a pre-split basis) will cease at 5:00 p.m. on the day falling two (2) Market Days before the Record Date (the "**Cessation Date**"); and
- b) trading in the Shares (on a post-split basis) will commence from 9.00 a.m. on the day falling one (1) Market Day before the Record Date (the "**Effective Trading Date**").

The Cessation Date and the Effective Trading Date will be announced in due course.

LETTER TO SHAREHOLDERS

For the purpose of trading on the SGX-ST following the Proposed Share Split, each board lot of Shares will comprise 100 Shares. Shareholders who hold odd lots of Shares (that is, lots other than board lots of 100 Shares) and who wish to trade in odd lots on the SGX-ST are able to trade odd lots of Shares in board lots of one Share on the Unit Share Market. The Company notes that the Proposed Share Split will not result in odd lots.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, the interests of the Directors in the Shares as recorded in the Register of Directors' Shareholdings, are as follows:

Directors	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Ang Yu Seng	13,724,840	34.85	-	-
Ang Yew Chye	4,376,043	11.11	-	-
Siau Kai Bing	12,000	0.03	-	-

Note:

- (1) Percentage interests have been calculated based on total share capital issued capital of 39,378,100 Shares as at the Latest Practicable Date and are rounded to the nearest two (2) decimal places.

As at the Latest Practicable Date, the interests of the substantial shareholders of the Company in the Shares as recorded in the Register of Substantial Shareholders' shareholdings as at the Latest Practicable Date, are as follows:

Substantial Shareholders	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Goi Seng Hui	8,584,000	21.80	-	-
Lian Bee Metal Pte Ltd	2,154,700	5.47	-	-

Note:

- (1) Percentage interests have been calculated based on total share capital issued capital of 39,378,100 Shares as at the Latest Practicable Date and are rounded to the nearest two (2) decimal places.

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

4. CLOSURE OF BOOKS

The Record Date will be announced by the Company in due course.

LETTER TO SHAREHOLDERS

5. DIRECTORS' RECOMMENDATION

Having considered the rationale for the Proposed Share Split as set out in Section 2.2 of this Circular, the Directors are of the opinion that the Proposed Share Split is in the best interests of the Company and its Shareholders. Accordingly, they recommend that Shareholders vote in favour of the Resolution in relation to the Proposed Share Split as set out in the Notice of EGM.

The Directors, in rendering their recommendation, have not had regard to the specific investment objectives, financial situation, tax position and/or unique needs and constraints of any Shareholder. As different Shareholders would have different investment objectives, the Directors recommend that any individual Shareholder who may require specific advice in relation to the Proposed Share Split should consult his stockbroker, bank manager, solicitor, accountant or other professional advisers.

6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 16 to 19 of this Circular, will be held at 33 Pioneer Road North, Singapore 628474 on 7 February 2024 at 10.00 a.m. for the purpose of considering, and if thought fit, passing, with or without modifications, the Resolution as set out in the Notice of EGM.

7. ACTIONS TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf should complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at 33 Pioneer Road North Singapore 628474 not less than 48 hours before the time fixed for the EGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so. In such event, the relevant Proxy Form will be deemed to be revoked.

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register at least 72 hours before the time fixed for the EGM.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular 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 Circular misleading. Where information in this Circular 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 this Circular in its proper form and context.

LETTER TO SHAREHOLDERS

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 33 Pioneer Road North, Singapore 628474 during normal business hours from the date of this Circular up to and including the date of the EGM: -

- a) the Constitution of the Company;
- b) the Annual Report of the Company for the financial year ended 30 June 2023; and
- c) the announcement made by the Company dated 7 November 2023 in respect of the Proposed Share Split.

Yours faithfully
For and behalf of the Board of Directors of
Union Steel Holdings Limited

Ang Yu Seng
Executive Chairman and Chief Executive Officer
23 January 2024