



Union Steel Holdings Limited
(Company Registration Number: 200410181W)
(Incorporated in the Republic of Singapore on 12 August 2004)

PRESS RELEASE

UNION STEEL HOLDINGS LIMITED'S H1 FY07 REVENUE NEARLY TRIPLES TO REACH S\$141.1 MILLION RIDING ON STRONG METAL RECYCLING DEMAND IN CHINA AND OTHER PARTS OF ASIA

- **Net profit doubles to S\$4.4 million for H1 FY07**
- **Earnings per share nearly doubles to reach 1.27 cents**
- **Group's net asset value rose from 11.92 cents to 12.53 cents per share**

Singapore, 5 February 2007 - Mainboard-listed Union Steel Holdings Limited ("Union Steel" or the "Group"), an integrated metal recycling company and one of the largest metal recyclers in Singapore in terms of volume of metals recycled, today reports sterling results with a revenue leap of 173% to reach S\$141.1 million for the half year ended 31 December, 2006 ("1H FY07") compared with S\$51.7 million in the previous corresponding period.

Net profit doubled from S\$2.2 million to S\$4.4 million in H1 FY07. The Group's earnings per share nearly doubles from 0.64 cents to 1.27 cents for H1 FY07.

The Group's strong performance is attributed mainly to strong regional demand in the recycling of non-ferrous metal and the increase in sales of steel products, driven by the property and construction and infrastructure boom across Asia.

The Group has also strengthened its financial position. Its cash on hand almost doubled from S\$7.3m to S\$13 million.

The company's Chief Executive Officer, Mr Ang Yu Seng said, "We are delighted with our performance for the first half of FY07 with the triple digit gain in revenue.

For H1 FY07, we have seen a resurgence in demand for non-ferrous metals and steel products across all markets, including the strong manufacturing demand of China, the world's fastest growing economy."

Meanwhile, Singapore is undergoing a building and construction boom. Total construction contracts rose 41% to hit \$16 billion in 2006 and for this year, the Building and Construction Authority is expecting to see between \$17 billion and \$19 billion worth of contracts.

In line with the Group's strategy to ride the infrastructure and construction uptrend and accelerate expansion into the booming offshore oil and gas marine sectors, Union Steel has recently entered into a conditional sale and purchase agreement to acquire JP Nelson Holdings Pte Ltd, a market leader in providing leasing, sales and services of equipment for engineering, construction, oil & gas, shipyard/shipbuilding and offshore industries.

Mr Ang added, "With the ongoing uptrend in construction and the offshore oil and gas sectors, our recent acquisition puts us in good position for accelerated growth in these two fastest growing sectors in the region. With our strong financial position and new synergies acquired, we will continue to grow our recycling business organically, while seeking new partnerships and merger and acquisitions opportunities."

Union Steel had in the past three months secured investment from key investors including Mr Sam Goi who believed that recycling companies such as Union Steel are well-poised for exponential growth because of the increasing awareness and commitment given by businesses and governments in the region to recycling and clean business practices.

The Group's net asset value (NAV) per ordinary share also rose from 11.92 cents to 12.53 cents as at 31 December 2006.

About Union Steel

Union Steel has been recycling metals since 1984. The Company, which is listed on the mainboard of the SGX, now stands at the forefront of metal recycling which it believes has limitless potential as the world increasingly recognises the need to conserve Mother Earth's diminishing natural resources.

Last year, Union Steel recycled approximately 120,000 tonnes of scrap metals at its recycling plants, making the Company one of the largest metal recyclers in Singapore in terms of volume of metals recycled.

The Company offers a one-stop integrated and competitive service for its customers' recycled metals needs and it now serves a wide customer base of over 500 customers, spanning across countries such as the PRC, India, Indonesia, Japan, Malaysia and Singapore.

For more information on Union Steel, please visit its website at:

<http://www.unionsteel.com.sg>

Issued by Stratagem Consultants Pte Ltd.

For and on behalf of Union Steel Holdings Limited

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