

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

**PRESS RELEASE**

**UNION STEEL HOLDINGS LIMITED ACQUIRES LIM ASIA STEEL TO  
EXPAND METAL RECYCLING CAPACITY TO RIDE ON GROWING ASIAN  
DEMAND FOR RECYCLED METALS**

- Acquisition reflects the trend towards market consolidation among local metal scrap operators

**Singapore, 13 July 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 entered into a sale and purchase agreement to acquire Lim Asia Steel Pte Ltd (“Lim Asia” or the “Company”).

The acquisition will not only strengthen the Group’s core metal recycling business by providing greater scrap metal sourcing capabilities, but will also enhance cooperation among the local players to create more opportunities for regional expansion and strengthen the Group’s market position in Asia.

Mr Ang Yu Seng, Union Steel’s CEO, said: “We are pleased to seal this agreement with Lim Asia. The global steel industry is heading towards market consolidation. We firmly believe that with this trend, there will be greater opportunities to expand our footprint overseas. In Asia, steel demand is driven by the construction boom and ongoing infrastructural developments. There is also a growing need for recycled metals due to thinning global resources. With our combined strengths in metal recycling and steel trading, we have a stronger position to ride on Asia’s growing industry needs. Going forward, we will continue to seek and carve out more partnerships and acquisitions to expand in Asia.”

Currently, there are more than 30 metal scrap trading companies in Singapore registered with the National Environmental Agency. Lim Asia Steel has been in operation since 1993, with its operations in Pioneer Sector 3. Its principal business is in the buying, selling and recycling of all kinds of scrap metals.

Under the S&P agreement, Lim Asia's shareholders – Ang Siok Hah and Lim Puay Hock ("Vendors") will sell a total of 1,174,550 shares to Union Steel, representing 65% of the company's paid-up share capital for a total consideration of S\$1 million in cash.

The agreement also includes a Put Option agreement relating to the remaining 35% shares of Lim Asia. Under the Put Option, Union Steel grants each of the Vendors the right to require Union Steel to purchase the remaining shares for an aggregate sum of \$538,462 or a price to be determined by the value of each ordinary share based on the NTA, whichever is higher.

Added Mr Ang, "We are also glad to strengthen our internal management with Mr Lim Puay Hock joining us as Executive Director of Lim Asia. He has over 20 years of metal recycling experience, which will be very valuable for us."

Union Steel reported a set of sterling results for the half year ended 31 December, 2006 with its revenue nearly tripling to reach S\$141.1 million and net profit doubling to S\$4.4 million.

### **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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