

THE PROPOSED ACQUISITION OF 65% OF THE ISSUED AND PAID-UP SHARE
CAPITAL OF LIM ASIA STEEL PTE LTD

The Board of Directors ("**Board**") of Union Steel Holdings Limited ("**Company**") wishes to announce that it has entered into a conditional sale and purchase agreement dated 13 July 2007 with Messrs Lim Puay Hock and Ang Siok Hah for the acquisition ("**Proposed Acquisition**") of 65% of the issued and paid up share capital of Lim Asia Steel Pte Ltd. The aggregate purchase consideration for the Proposed Acquisition is **S\$1,000,000** (the "**Purchase Consideration**") and was determined based on a willing-buyer willing-seller basis. The Purchase Consideration shall be satisfied by the payment of the sum of **S\$1,000,000** by the Company upon the due completion of the Proposed Acquisition.

Lim Asia Steel Pte Ltd's principal business is the buying and selling of all kinds of scrap metals.

The Proposed Acquisition will not have a material impact on the financial position of the Group for the current financial year.

None of the Directors or substantial shareholder of the Company has any interest, whether direct or indirect, in the Proposed Acquisition.

By Order of the Board
Union Steel Holdings Limited

ANG YU SENG
Chairman and Chief Executive Officer
13 July 2007