

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

PRESS RELEASE

UNION STEEL TO SIGN SALE AND LEASEBACK ARRANGEMENT WITH MAPLETREE LOGISTICS TRUST FOR S\$36.8 MILLION

-To unlock value for shareholders and boost cash hoard to pursue strategic investment opportunities in the region.

Singapore, 26 August 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, has agreed to sign a sale and leaseback arrangement for four industrial-cum-warehouse buildings in Jurong for S\$36.8 million.

The properties include:

- 31/33 Pioneer Road North;
- 119 Neythal Road;
- 30 Tuas South Avenue 8; and
- 8 Tuas View Square.

A put and call option agreement to seal the deal was signed on 24 August 2007 between Union Steel’s wholly-owned subsidiaries, Union Steel Pte. Ltd. and YLS Steel Pte Ltd and MapleTree Logistics Trust, a real estate investment trust listed on the mainboard of SGX.

The Trust is managed by Mapletree Logistics Trust Management Ltd, a wholly-owned subsidiary of Mapletree Investments Pte Ltd.

The proposed consideration of S\$36.8 million was arrived at on a willing buyer-willing seller basis taking into account the valuation of the properties on a sale and leaseback basis.

The sale and purchase agreement is subject to the approval by Jurong Town Corporation, Union Steel's shareholders, unitholders of the Trust and upon successful due diligence of the four properties.

Under the agreement, Union Steel will lease the four properties for an initial six years, with an option to renew the lease for a further six years.

The Group will realize a gain of approximately S\$23.3 million from the proposed sale. In accordance with the Singapore Financial Reporting Standards, the excess of the sale consideration over the fair value shall be deferred and amortised over the leaseback period of six years and the excess of the fair value over the net book value shall be recognised immediately.

Based on the Group's unaudited consolidated accounts for the financial year ended 30 June 2007, its net tangible assets per share would have increased from 13.60 cents to 16.23 cents assuming the Proposed Sale had been effected at the end of that financial year.

The Group's earnings per share would have increased from 2.32 cents to 4.95 cents assuming the proposed sale had been effected at the beginning of that financial year.

Union Steel's CEO and Chairman, Mr Ang Yu Seng said: "This transaction will help unlock value for our shareholders and significantly increase our cash reserves, thereby enabling us to consider suitable strategic investment opportunities such as M & A activities. The leaseback will provide the Group with

continued use of the relevant properties and the directors do not expect the proposed Sale to disrupt the normal business operations of the Group.”

Union Steel recently announced its net profit rose 27% to S\$8.05 million on a 148% jump in turnover to S\$337.9 million for the full year ended 30 June 2007 (“FY07”).

The Group’s robust performance was fuelled by continued growth in demand for recycled non-ferrous metals led by steady growth in Asian economies. This is expected to continue as there is a growing need for recycled metals owing to the higher demand for metals spurred by increased construction and infrastructural activities in the region.

Union Steel had also 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. The proposed acquisition is pending regulatory and shareholder approval.

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.

In FY2007, Union Steel recycled approximately 130,000 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>

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For and on behalf of Union Steel Holdings Limited

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