



UNION STEEL HOLDINGS LIMITED
 33 Pioneer Road North
 Singapore 628474
<http://www.unionsteel.com.sg>

For Immediate Release

UNION STEEL HOLDINGS LIMITED'S HY2008 NET PROFIT NEARLY TRIPLES DUE TO EXCEPTIONAL GAIN

- Net profit hits S\$13.2 million for HY2008
- Gross profit margin improved despite competitive operating environment
- Net asset value rose by nearly 40% to reach 17.51 cents per share

Financials At A Glance

	HY2008 (S\$m)	HY2007 (S\$m)	Change (%)
Revenue	112.4	141.1	(20.3)%
Gross profit margin (%)	7.0%	6.9%	0.1%
Net profit after tax	13.2	4.4	199.2%
Basic/Diluted EPS (cents)	3.79	1.27	198.4%
NAV (cents)	17.51	12.53	39.7%

Singapore, 12 February 2008 – Union Steel Holdings Limited (“**Union Steel**”), one of the largest metals recycling companies in Singapore listed on the Main Board of SGX-ST, today reports its results for the half year ended 31 December 2007, (“**HY2008**”).

In HY2008, Union Steel and its subsidiaries (the “**Group**”) revenues declined by approximately 20.3% to approximately S\$112.4 million in HY2008 as compared to approximately S\$141.1 million in HY2007. The decline was due to a decrease in revenue from the recycling of non-ferrous metal. Gross profit margin, on the other hand, rose marginally by approximately 0.1% from approximately 6.9% in HY2007 to approximately 7.0% in HY2008.

Despite the decline in revenue, net profit after tax increased approximately 199.2% to approximately S\$13.2 million in HY2008 as compared to approximately S\$4.4 million in HY2007. The increase was principally due to a gain of approximately S\$9.0 million from the sale of the four properties in the sales and leaseback transaction at the end of November 2007. As a result of this gain, the Group’s earnings per share increased from approximately 1.27 cents in HY2007 to approximately 3.79 cents in HY2008.

The Group's financial position remained strong. As at 31 December 2007, the Group's cash and bank balances stood at approximately S\$36.2 million, an increase of approximately 79.7% as compared to the previous corresponding period of approximately S\$20.2 million. The net asset value per share of the Group increased to approximately 17.51 cents in HY2008 as compared to approximately 12.53 cents in HY2007. This increase was mainly due to the gain of approximately S\$9.0 million from the sale of the four properties in the sales and leaseback transaction as well as an unrealised holding gain of approximately S\$3.9 million arising from the marking to market of the Group's investment in the shares of PT ATPK Resources.

Going Ahead

As reported by the Building and Construction Authority in a statement on November 2007, annual construction demand for 2007 is expected to reach between approximately S\$19 billion and S\$22 billion and is likely to sustain at this level in 2008 and 2009. The bulk of the construction activities and resources in 2008 and 2009 are expected to be concentrated on mega projects involving the Integrated Resorts, Marina Business Financial Centre, Downtown MRT Line and petrochemical plants.

Said Mr. Ang Yu Seng, Chief Executive Officer of the Group, "With the ongoing uptrend in the construction industry and the implementation of various public sector infrastructure projects, these activities are expected to drive demand for recycled metals. Besides Singapore, we believe that there is also a higher demand for recycled metal from the rest of Asia due to increased activities in construction and infrastructure industries. This is despite an imminent recession in the USA. These factors bode well for our business and barring unforeseen circumstances, we expect to remain profitable for the whole of FY2008."

The Group has also recently announced the completion of the sale of the four properties in the sales and leaseback transaction at the end of November 2007, which resulted in a gain of approximately S\$23.2 million, of which approximately S\$9.0 million will be recognised in HY2008 while the balance of approximately S\$14.2 million will be deferred for amortisation over the next 5 years of the 6-year lease term. In addition, the Group has announced a renounceable non-underwritten rights issue of warrants ("**Warrants Issue**") at the end of November 2007 and the Group was granted approval in-principle from the SGX on December 2007.

Mr. Ang added, "The sales of the four properties at the end of November 2007 will further boost our cash reserves and provide us with opportunities to strengthen our market presence in Asia by seeking new business opportunities and explore potential mergers and acquisitions or alliances which will be synergistic to our existing core business. In addition, the Warrants Issue would enhance shareholders' value and will allow our existing shareholders to continue to participate in the growth of the Group. The proceeds from the Warrants Issue will also strengthen the Group's balance sheet position."

- The End -

About Union Steel Holdings Limited

The Group was incorporated in Singapore on 12 August 2004 under the name of Union Steel Holdings Pte Ltd. It adopted the current name on 29 June 2005. The Group is principally engaged in the recycling of ferrous and non-ferrous scrap metals, the trading of steel products and the provision of other services, comprising waste collection and management, demolition works, rental of steel plates and car scrapping. The Group believes that it is currently one of the largest metals recycling companies in Singapore in terms of volume of metals recycled.

The Group serves a wide customer base of over 500 customers, spanning across countries such as China, India, Indonesia, Japan, Malaysia and Singapore. The Group intends to seek expansion opportunities within both its existing and potential markets via possible acquisitions and joint ventures in China and Indonesia.

For more information, please log on www.unionsteel.com.sg

For further details please contact:

Mr Low Cze Soo
Union Steel Holdings Limited
Tel: 6861 9833
Fax: 6862 9833
Email: lowcs@unionsteel.com.sg

Mr H K Liao / Ms Foo Quee Yin
Asian Corporate Advisors Pte. Ltd.
Tel: 6221 0271
Fax: 6227 6349
Email: hkliau@acorpadviseurs.com.sg
qyfoo@acorpadviseurs.com.sg