

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

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On 13 July 2007, the board of directors ("**Board**") of Union Steel Holdings Limited ("**Company**") announced that it had entered into a conditional sale and purchase agreement dated 13 July 2007 ("**SPA**") with Messrs Lim Puay Hock and Ang Siok Hah ("**Vendors**") for the acquisition ("**Proposed Acquisition**") of 65% of the issued and paid up share capital of Lim Asia Steel Pte Ltd ("**Lim Asia Steel**").

The Board is pleased to announce that the Company had completed the Proposed Acquisition on 29 February 2008.

As announced on 13 July 2007, the aggregate purchase consideration for the Proposed Acquisition was **S\$1,000,000** (the "**Purchase Consideration**") and was determined based on a willing-buyer willing-seller basis. The Purchase Consideration was satisfied by the payment of the sum of **S\$1,000,000** by the Company.

Pursuant to Clause 5.3 of the SPA, the Company had on 29 February 2008 delivered to the Vendors a duly signed put option agreement (the "**Put Option Agreement**"), whereby the Company granted to each of the Vendors the right to require the Company to purchase from each of them the balance 632,450 shares which they collectively hold in Lim Asia Steel on the terms and subject to the conditions of the Put Option Agreement.

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  
29 February 2008