

**ACQUISITION OF THE REMAINING 35% OF THE ISSUED AND PAID-UP SHARE
CAPITAL OF LIM ASIA STEEL PTE LTD**

Further to the announcement dated 29 February 2008 in relation to the Proposed Acquisition of 65% of the issued and paid-up capital of the Company, the Board of Directors of Union Steel Holdings Limited (the “**Company**”) is pleased to announce that the Company has received a notice from Messrs Lim Puay Hock and Ang Siok Hah (the “**Vendors**”) to exercise the Put Option Agreement (the “**Agreement**”) dated 1 July 2010 for the acquisition of 877,450 ordinary shares, representing 35% of the issued and paid-up share capital of Lim Asia Steel Pte Ltd (“**Lim Asia**”) at a consideration of S\$747,052.00 (the “**Purchase Price**”) upon the terms and conditions of the Agreement. The Agreement was completed on 20 July 2010. The Company currently holds 65% interest in the issued and paid-up share capital of Lim Asia. Upon completion of the Acquisition, Lim Asia will become a wholly-owned subsidiary of the Company.

The Purchase Price for the Acquisition was arrived at on a willing buyer and willing seller basis, taking into consideration the terms of the Agreement and adjusted by the increase in paid up capital of Lim Asia of S\$700,000 and the net tangible asset value of Lim Asia of approximately S\$(1,315,327) as at 30 June 2010.

The Acquisition is not expected to have any material impact on financial position of the Company and its subsidiaries for the current financial year ending 30 June 2010.

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect (other than through their shareholdings in the Company), in the above transaction.

By Order of the Board
Union Steel Holdings Limited

ANG YU SENG
CEO/Executive Director
20 July 2010