

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of **UNION STEEL HOLDINGS LIMITED** will be held at 33 Pioneer Road North Singapore 628474 on Thursday, 21 October 2010 at 10.00 a.m. to transact the following business:—

**AS ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Accounts for the financial year ended 30 June 2010 and the Reports of the Directors and Auditors and the Statement by Directors thereon. [Resolution 1]
2. To approve the payment of Directors' Fees of \$105,000 for the financial year ended 30 June 2010. (2009: \$107,400) [Resolution 2]
3. To re-elect the following Directors retiring by rotation pursuant to Article 91 of the Company's Articles of Association. [Resolution 3]  
(i) Mr Siau Kai Bing [Resolution 4]  
(ii) Mr Chan Kok Poh

*Mr Siau Kai Bing will, upon re-election as a Director of the Company, remain as the Chairman of the Audit Committee, a member of Nominating Committee and a member of Remuneration Committee. He will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").*

*Mr Chan Kok Poh will, upon re-election as a Director of the Company, remain as the Chairman of Remuneration Committee and a member of Audit Committee. He will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").*

4. To re-appoint Messrs LTC LLP as the Independent Auditor of the Company and to authorise the Directors to fix their remuneration. [Resolution 5]
5. To transact any other business which may properly be transacted at an Annual General Meeting.

**AS SPECIAL BUSINESS**

To consider and if thought fit, to pass with or without modifications, the following resolutions which will be proposed as Ordinary Resolutions:

6. **Authority to allot and issue shares up to fifty per centum (50%) of the issued share capital** [Resolution 6]

That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the SGX-ST, the Directors be and are hereby empowered to allot and issue shares and/or convertible securities that might or would require shares to be issued including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares, where maximum number of shares to be issued upon conversion is determinable at the time of the issue of such securities in the Company (whether by way of rights, bonus or otherwise or in pursuance of any offers, agreements or options made or granted by the Directors during continuance of the authority conferred by this Resolution which might or would require shares and/or convertible securities to be issued during the continuance of the authority conferred by this Resolution or thereafter) at any time and from time to time thereafter to such persons and on such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit (notwithstanding the authority conferred by this Resolution may have ceased to be in force) provided always that:

- (i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of convertible securities made or granted pursuant to this Resolution) does not exceed fifty per centum (50%) of the total number of issued shares excluding treasury shares, as calculated in accordance with sub paragraph (ii) below ("Issued Shares"), provided that the aggregate number of shares to be issued other than on a pro-rata basis to existing shareholders (including shares to be issued in pursuance of convertible securities made or granted pursuant to this Resolution) does not exceed twenty per centum (20%) of the total number of Issued Shares;
- (ii) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of convertible securities made or granted pursuant to this Resolution) via a pro-rata renounceable rights issue pursuant to this Resolution shall not (a) if issued on or before 31 December 2010, exceed one hundred per centum (100%) of the total number of Issued Shares (excluding treasury shares) in the capital of the Company; or (b) if issued after 31 December 2010, exceed fifty per centum (50%) of the total number of Issued Shares (excluding treasury shares) in the capital of the Company;
- (iii) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (i) and (ii) above, the total number of Issued Shares (excluding treasury shares) shall be based on the total number of Issued Shares excluding treasury shares at the time of the passing of this Resolution, after adjusting for (a) new shares arising from the conversion or exercise of convertible securities; (b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution provided the options or awards were granted in compliance with the Listing Manual of the SGX-ST; and (c) any subsequent bonus issue, consolidation or subdivision of shares;
- (iv) in exercising the authority conferred by this Resolution, the Company shall comply with the rules, guidelines and measures issued by the SGX-ST and the provisions of the Listing Manual for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act, Cap. 50 and otherwise, and the Memorandum and the Articles of Association for the time being of the Company; and
- (v) unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (i)]

7. **Authority to allot and issue shares other than on a pro-rata basis at a discount not exceeding twenty per centum (20%)** [Resolution 7]

That subject to and pursuant to the share issue mandate in Resolution 6 above being obtained, authority be and is hereby given to the Directors to issue new shares other than on a pro-rata basis to shareholders of the Company at an issue price per new share as the Directors of the Company may in their absolute discretion deem fit provided that such price shall not (i) if the issue was made on or before 31 December 2010, represent a discount of more than twenty per centum (20%) to the weighted average price per share or (ii) if the issue was made after 31 December 2010, represent a discount of more than ten per centum (10%) to the weighted average price per share, determined in accordance with the requirements of the SGX-ST, provided always that:

- (a) in exercising the authority conferred by this Resolution, the Company shall comply with the rules, guidelines and measures issued by the SGX-ST and the provisions of the Listing Manual for the time being in force (in each case unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act, Cap. 50 and otherwise, and the Memorandum and Articles of Association for the time being of the Company; and
- (b) unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held or 31 December 2010.

[See Explanatory Note (ii)]

8. **Authority to grant options and issue under "The Union Steel Holdings Employee Share Option Scheme (the "ESOS")** [Resolution 8]

That pursuant to Section 161 of the Companies Act, Cap. 50, the Directors of the Company be authorised and empowered to offer and grant options under the Union Steel Holdings ESOS, and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options granted by the Company under the ESOS, whether granted during the subsistence of this authority or otherwise, provided that the aggregate number of additional ordinary shares to be issued pursuant to the ESOS, when aggregated together with shares issued and/or issueable pursuant to any other existing share schemes or plan of the Company for the time being, shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iii)]

9. **The Proposed Renewal of Share Buy Back Mandate** [Resolution 9]

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, Cap 50, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company ("Ordinary Shares") not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

- (i) market purchase(s) (each a "Market Purchase") on the SGX-ST; and/or

(ii) off market purchase(s) (each an "Off-Market Purchase") effected otherwise than on the SGX-ST in accordance with any equal access schemes as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Buy Back Mandate");

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:

- (i) the date on which the next Annual General Meeting of the Company is held or required by law or the existing Articles of Association of the Company to be held; and
- (ii) the date by which the share buybacks are carried out to the full extent mandated; or
- (iii) the date on which the authority contained in the Mandate is varied or revoked.

- (c) in this Resolution:

"Prescribed Limit" means 10% of the issued ordinary share capital of the Company as at the date of passing of this Resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act (Cap 50), at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury shares that may be held by the Company from time to time);

"Maximum Price" in relation to a fully-paid ordinary shares in the capital of the Company (a "Share") to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase, one hundred and five per centum (105%) of the Average Closing Price;
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and twenty per centum (120%) of the Highest Last Dealt Price, where:

"Average Closing Price" means the average of the closing market prices of a Share over the last five market days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period;

"Highest Last Dealt Price" means the highest price transacted for a Share as recorded on the market day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

"day of the making of the offer" means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"market day" means a day on which SGX-ST is open for trading in securities.

- (d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution. [See Explanatory Note (iv)]

10. **Authority to grant awards in accordance with the Union Steel Performance Share Scheme (the "Scheme")** [Resolution 10]

That pursuant to Section 161 of the Companies Act, Cap 50, the Directors of the Company be and are hereby authorised to grant Awards in accordance with the provisions of the Scheme and to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the grant of the Awards under the Scheme, provided that the aggregate number of new Shares to be issued pursuant to the Scheme, when aggregated together with shares issued and/or issueable pursuant to any other existing share schemes or plan of the Company for the time being, shall not exceed fifteen per centum (15%) of the issued ordinary share capital (excluding treasury shares) of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (v)]

**By Order of the Board**

**HELEN CAMPOS**  
Company Secretary

Singapore  
5 October 2010

**Notes:**

1. A member of the Company entitled to attend and vote at the Annual General Meeting (the "Meeting") of the Company is entitled to appoint one or two proxies to attend and vote in his stead.
2. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings (expressed as a percentage of the whole) to be represented by each proxy.
3. A proxy need not be a member of the Company.
4. If the appointer is a corporation, the instrument appointing the proxy must be executed under seal or the hand of its duly authorized officer or attorney.
5. The instrument appointing a proxy must be deposited at the Registered Office of the Company at **33 Pioneer Road North Singapore 628474** not less than forty-eight (48) hours before the time appointed for holding of the Meeting.

**STATEMENT PURSUANT TO ARTICLE 54 OF THE COMPANY'S ARTICLES OF ASSOCIATION**

- (i) The Ordinary Resolution proposed in item (6) above, if passed, will empower the Directors of the Company, from the date of the above Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held, whichever is earlier, to allot and issue new shares in the capital of the Company. The number of new shares which the Directors may allot and issue under this Resolution shall not exceed fifty per centum (50%) of the issued share capital of the Company. For issues of shares other than on a pro rata basis to all shareholders, the aggregate number of shares to be allotted and issued shall not exceed twenty per centum (20%) of the issued share capital of the Company save that such number shall be up to one hundred per centum (100%) of the total number of issued shares (excluding treasury shares) in relation to a pro-rata renounceable rights issue to existing shareholders.

This authority will, unless previously revoked or varied at a general meeting, expire at the conclusion of the next Annual General Meeting of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares will be calculated based on the total number of issued shares (excluding treasury shares) at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent consolidation or subdivision of shares.

The 100% renounceable pro-rata rights issue limit is one of the new measures implemented by the SGX-ST as stated in a press release entitled "SGX introduces further measures to facilitate fund raising" dated 19 February 2009 which became effective on 20 February 2009 and will expire on 31 December 2010 unless extended. It will provide the Directors with an opportunity to raise funds and avoid prolonged market exposure by reducing the time taken for shareholders' approval, in the event the need arises. Minority shareholders' interests are mitigated as all shareholders have equal opportunities to participate and can dispose their entitlements through trading of nil-paid rights if they do not wish to subscribe for their rights shares. It is subject to the condition that the Company makes periodic announcements on the use of the proceeds as and when the funds are materially disbursed and provides a status report on the use of proceeds in the annual report.

- (ii) The Ordinary Resolution proposed in item (7) above, if passed, will empower the Directors of the Company, from the date of the above Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held, or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue shares other than on a pro rata basis at a discount of not more than twenty per centum (20%) to the weighted average price per share determined in accordance with the requirements of the SGX-ST.

- (iii) The Ordinary Resolution 8 in item (8) above, if passed, will empower the Directors of the Company, from the date of this Meeting until the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of options granted or to be granted under the ESOS when aggregated together with shares issued and/or issueable pursuant to any other existing share schemes or plan of the Company for the time being, shall not exceed fifteen per centum (15%) of the total number of issued shares in the capital of the Company excluding treasury shares from time to time.

- (iv) The Ordinary Resolution 9 in item (9) above, if passed, will renew the Share Buy Back Mandate to permit the Company to purchase or otherwise acquire its issued ordinary shares on the terms and subject to the conditions of the Resolution.

- (v) The Ordinary Resolution 10 in item (10) above, if passed, will empower the Directors of the Company, from the date of this Meeting until the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to grant Awards in accordance with the provisions of the Scheme and to allot and issue shares in the Company pursuant to the grant of the Awards under the Scheme when aggregated together with shares issued and/or issueable pursuant to any other existing share schemes or plan of the Company for the time being, shall not exceed fifteen per centum (15%) of the total number of issued shares in the capital of the Company excluding treasury shares from time to time.