



UNION STEEL HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

Company Registration Number 200410181W

HEADS OF TERMS – PROPOSED ACQUISITION

ESTABLISHMENT OF SUBSIDIARY

The Company refers to its announcement dated 18 June 2013 (“**Announcement**”). All capitalized terms used and not defined herein shall have the same meanings given to them in the Announcement.

As disclosed in the said Announcement, the Company will undertake the proposed lease of Assets (including entering into service arrangements with key personnel of CHH) and the Proposed Acquisition via the wholly-owned SPV incorporated in Malaysia.

The Group’s wholly-owned subsidiary, Yew Lee Seng Metal Pte Ltd, has established the SPV namely, Union CHH Sdn. Bhd (“**Union CHH**”) in Malaysia with effect from 1 July 2013.

As at the date of this Announcement, the authorised share capital of Union CHH is RM10,000,000 divided into 10,000,000 shares of RM1.00 each. The issued and paid-up capital is RM1,000,000 divided into 1,000,000 shares of RM1.00 each.

Union CHH will carry out the Group’s metal recycling business operation in Malaysia as disclosed in the Announcement.

The working capital of Union CHH will be funded by internal funds and/or bank borrowings.

BY ORDER OF THE BOARD

Ang Yu Seng

Executive Chairman and Chief Executive Officer

2 July 2013