

**UNION STEEL HOLDINGS LIMITED**

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<http://www.unionsteel.com.sg>**MEDIA RELEASE****Union Steel to acquire majority stake in
Gee Sheng Machinery & Engineering**

18 June 2015 – SGX-ST Mainboard listed **Union Steel Holdings Limited**, 友联钢铁控股有限公司 ("Union Steel" or "the Group"), one of the largest metal recycling companies in Singapore, announced today that it has entered into a conditional sales and purchase agreement to acquire 426,000 ordinary shares in the issued and paid-up capital of Gee Sheng Machinery & Engineering Pte Ltd ("Gee Sheng"), representing an 85.2% stake, from its majority shareholder. Gee Sheng is a Singapore-based company which carries out civil construction and engineering work, and the manufacturing of motor vehicle bodies, trailers, and semi-trailers.

For the financial year ended 31 December 2014, Gee Sheng recorded a net profit of approximately \$1.7 million, of which the net profit attributable to the 85.2% majority shareholder was approximately \$1.4 million. The purchase consideration for the shares is S\$5,112,000, and this will be funded by Union Steel's internal resources and bank borrowings. The acquisition is in line with the Group's plans to diversify and expand into complementary business areas in civil engineering and manufacturing.

"Gee Sheng has an excellent track record of project delivery and quality. This value-accretive acquisition will strengthen our Group's position and help to diversify our revenue streams, especially given the tepid outlook for our core business of metal trading and recycling. Gee Sheng has good growth prospects and a healthy project pipeline, and bringing them into the fold also provides opportunities to expand the Group's market reach."

- **Mr. Ang Yu Seng (洪友成), Executive Chairman and Chief Executive Officer**

About Union Steel Holdings Limited (www.unionsteel.com.sg)

Founded in 1984, Union Steel Holdings Limited ("Union Steel" or the Group) started operations as YLS Steel Pte Ltd which was involved in the trading of ferrous and non-ferrous scrap metal. Today, the Group consists of five subsidiary companies engaged in (i) recycling of ferrous and nonferrous scrap metal; (ii) trading of steel and stainless steel products; (iii) rental of sheet piles, steel plates and beams and (iv) scaffolding services.

With over 25 years of experience, Union Steel has established itself as a leading player in the metals and scrap industry in Singapore. The Group operates one-stop supply centres for the collection and recycling of ferrous and non-ferrous scrap metals and the trading of steel and stainless steel products.

The Group has received several awards including the Enterprise 50 Award in 2003 and 2004, Fastest Growing 50 Certification and was ranked among the top small and medium enterprises in the annual Singapore 500 Small Medium Enterprises in 2004. It was awarded Singapore 1000 - Sales Turnover Growth Excellence Award in 2009 and achieved the Singapore International 100 Company status in 2010.

The Group delivers high quality products and reliable customer service to a global network that spans over hundreds of suppliers and customers in Asia, Indian-Subcontinent and Middle East. The Group continuously seeks to grow its business by widening its global network of supply sources and customers, and expanding its range of products and services. The Group further seeks potential acquisitions and joint venture opportunities for strategic expansion into metals-related businesses.

Union Steel Holdings Limited was listed on the SGX-ST Mainboard on 15 August 2005.

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