

CIRCULAR DATED 16 OCTOBER 2015

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your issued and fully paid-up ordinary shares in the capital of Union Steel Holdings Limited (the “**Company**”), you should immediately forward this Circular, the enclosed Notice of Extraordinary General Meeting and the enclosed Proxy Form to the purchaser or transferee, or the stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any of the statements made or opinions expressed or reports contained in this Circular. The in-principle approval of the Singapore Exchange Securities Trading Limited is not to be taken as an indication of the merits of the Proposed Share Consolidation, the Consolidated Shares, the Company and/or its subsidiaries.

Terms appearing on the cover of this Circular have the same meanings as defined in this Circular.



CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED CONSOLIDATION OF EVERY TEN (10) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS OF THE COMPANY AS AT THE BOOKS CLOSURE DATE TO BE DETERMINED, INTO ONE (1) CONSOLIDATED SHARE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE “PROPOSED SHARE CONSOLIDATION”)

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form : 29 October 2015 at 11.00 a.m.

Date and time of Extraordinary General Meeting : 31 October 2015 at 11.00 a.m. (or as soon as practicable thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place)

Place of Extraordinary General Meeting : 33 Pioneer Road North Singapore 628474

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DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:-

“Articles of Association”	: The Articles of Association of the Company, as amended or modified from time to time
“Board” or “Directors”	: The Board of Directors as at the date of this Circular
“Books Closure Date”	: The time and date, to be determined by the Directors in their absolute discretion as they deem fit and announced by the Company, at and on which the Register of Members and the share transfer books of the Company will be closed to determine the entitlements of Shareholders to the Consolidated Shares under the Proposed Share Consolidation
“CDP”	: The Central Depository (Pte) Limited
“Circular”	: This circular to Shareholders dated 16 October 2015
“Companies Act”	: The Companies Act, Chapter 50 of Singapore, as may be amended or modified from time to time
“Company”	: Union Steel Holdings Limited
“Consolidated Shares”	: The consolidated shares in the issued share capital of the Company held by Shareholders pursuant to the completion of the Proposed Share Consolidation and “ Consolidated Share ” shall be construed accordingly
“Effective Trading Date”	: Has the meaning ascribed to it in Paragraph 2.3.5 of this Circular
“EGM”	: The Extraordinary General Meeting of the Company to be convened on 31 October 2015, notice of which is set out on pages 13 and 14 of this Circular
“EPS”	: Earnings per Share
“FY2015”	: Financial year ended 30 June 2015
“Group”	: The Company and its subsidiaries
“Latest Practicable Date”	: 2 October 2015, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	: The listing manual of the SGX-ST, as may be amended or modified from time to time
“Market Day”	: A day on which the SGX-ST is open for trading in securities
“NTA”	: Net tangible assets
“Proposed Share Consolidation”	: The proposed consolidation of every ten (10) existing Shares held by Shareholders as at the Books Closure Date to be determined, into one (1) Consolidated Share, fractional entitlements to be disregarded
“Proxy Form”	: The proxy form in respect of the EGM as set out in this Circular

DEFINITIONS

“Register of Members”	: Register of members of the Company
“Securities Account”	: The securities account maintained by a Depositor with CDP but not including a securities sub-account maintained with a Depository Agent
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Share Registrar”	: B.A.C.S. Private Limited
“Shareholders”	: The registered holders of Shares, except that where the registered holder is CDP, the term “ Shareholders ” shall, in relation to those Shares, mean the Depositors who have shares entered against their names in the Depository Register
“Shares”	: Ordinary shares in the capital of the Company
“subsidiary” or “subsidiaries”	: Has the meaning ascribed to it in Section 5 of the Companies Act
“Substantial Shareholder”	: A person who has an interest in voting shares in the Company and the total votes attached to which is not less than five per cent. (5.0%) of the total votes attached to all the voting shares in the Company

Currencies and Units

“S\$” and “cents”	: Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore
“%” or “per cent.”	: Percentage or per centum

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meaning ascribed to them respectively in Section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, Listing Manual or any statutory modification thereof and used in this Circular shall have the same meaning assigned to it under the Companies Act, Listing Manual or any statutory modification thereof, as the case may be.

Any reference to a time of a day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Circular between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

LETTER TO SHAREHOLDERS

UNION STEEL HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200410181W)

Directors:

Ang Yu Seng (*Executive Chairman and Chief Executive Officer*)
Ang Yew Chye (*Executive Director*)
Siau Kai Bing (*Lead Independent Director*)
Chan Kok Poh (*Independent Director*)
Tan Min-Li (*Independent Director*)

Registered Office:

33 Pioneer Road North
Singapore 628474

16 October 2015

To: The Shareholders of Union Steel Holdings Limited

Dear Sir / Madam,

THE PROPOSED CONSOLIDATION OF EVERY TEN (10) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS OF THE COMPANY AS AT THE BOOKS CLOSURE DATE TO BE DETERMINED, INTO ONE (1) CONSOLIDATED SHARE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE “PROPOSED SHARE CONSOLIDATION”)

1. INTRODUCTION

- 1.1 The Directors propose to convene an EGM to seek Shareholders’ approval for the Proposed Share Consolidation.
- 1.2 The purpose of this Circular is to explain the rationale for, and provide Shareholders with the relevant information relating to the Proposed Share Consolidation, and to seek Shareholders’ approval for the ordinary resolution thereof to be tabled at the EGM, notice of which is set out on pages 13 and 14 of this Circular.
- 1.3 The SGX-ST only approves the listing and quotation of the Consolidated Shares arising from the Proposed Share Consolidation. The SGX-ST assumes no responsibility for the accuracy of any statements made, reports contained or opinions expressed in this Circular.

2. THE PROPOSED SHARE CONSOLIDATION**2.1 Introduction**

- 2.1.1 The Company announced on 27 August 2015 that the Company is proposing to undertake a share consolidation exercise to consolidate every ten (10) existing Shares (“**Existing Shares**”) into one (1) Consolidated Share as at the Books Closure Date, fractional entitlements to be disregarded.
- 2.1.2 Subject to Shareholders’ approval being obtained for the Proposed Share Consolidation at the EGM, Shareholders’ holdings of the Consolidated Shares arising from the Proposed Share Consolidation will be ascertained on the Books Closure Date. After the Books Closure Date, every ten (10) Existing Shares registered in the name, or standing to the credit of the Securities Account, of each Shareholder or Depositor (as the case may be) as at the Books Closure Date will be consolidated into one (1) Consolidated Share, fractional entitlements to be disregarded. Each Consolidated Share will rank *pari passu* in all respects with each other. The Consolidated Shares will be traded in board lots of 100 Consolidated Shares.

LETTER TO SHAREHOLDERS

- 2.1.3 Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of the Existing Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of a Consolidated Share arising from the Proposed Share Consolidation will be disregarded. All fractional entitlements arising from the implementation of the Proposed Share Consolidation will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including (i) disregarding the fractional entitlements, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company. **Shareholders who hold less than ten (10) Existing Shares as at the Books Closure Date will not be entitled to any Consolidated Shares and will no longer be Shareholders upon completion of the Proposed Share Consolidation. Such Shareholders who wish to remain as Shareholders upon completion of the Proposed Share Consolidation are advised to purchase additional Existing Shares so as to increase the number of Existing Shares held to a multiple of ten (10) Existing Shares prior to the Books Closure Date.**
- 2.1.4 With effect from 9.00 a.m. on the Effective Trading Date, trading in the Consolidated Shares will be in board lots of 100 Consolidated Shares.
- 2.1.5 As at the Latest Practicable Date, the Company has an issued and paid-up share capital of approximately S\$36,603,000 comprising 393,781,089 Shares. Assuming that no new Shares are issued by the Company up to the Books Closure Date and subject to Shareholders' approval being obtained for the Proposed Share Consolidation, following the completion of the Proposed Share Consolidation, the Company will have an issued and paid-up share capital of approximately S\$36,603,000 comprising approximately 39,378,108 Consolidated Shares.
- 2.1.6 The Proposed Share Consolidation will have no impact on the dollar value of the issued and paid-up share capital of the Company. The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the Shareholders' funds of the Group. Shareholders are not required to make any payment to the Company in respect of the Proposed Share Consolidation.
- 2.1.7 The Proposed Share Consolidation will not cause any changes to the percentage shareholding of each Shareholder in the Company, other than non-material changes due to rounding.
- 2.1.8 Pursuant to Article 9(A) of the Articles of Association of the Company, the approval of Shareholders by way of an ordinary resolution is sought for the Proposed Share Consolidation.

2.2 Rationale

- 2.2.1 With effect from 2 March 2015, the SGX-ST implemented a minimum trading price requirement of S\$0.20 per share for shares of issuers listed on the Mainboard of the SGX-ST as a continuing listing requirement.
- 2.2.2 A one-time transition period of 12 months from 2 March 2015 (i.e. 1 March 2016) will be given to affected issuers to undertake corporate actions to meet the new requirement, and such issuers will only be placed on the watch-list if they are unable to meet the minimum trading price requirement after this 12-month transition period. Issuers which are unable to take steps to raise its minimum trading price and exit the watch-list will be delisted after a 36-month cure period.

LETTER TO SHAREHOLDERS

- 2.2.3 The Directors believe that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders as the Proposed Share Consolidation would facilitate the Company's ability to satisfy the continuing listing requirement imposed by the SGX-ST for issuers listed on the Mainboard of the SGX-ST to have a minimum trading price per share of S\$0.20.
- 2.2.4 For the 6-month period between 26 February 2015 and 26 August 2015, prior to the Company releasing the announcement on the Proposed Share Consolidation on 27 August 2015, the absolute price of the Shares had traded in a range of between S\$0.095 and S\$0.129. The relevant data, along with the transacted volume of the Shares for each month are as follows:-

	Highest Price ⁽¹⁾ (S\$)	Lowest Price ⁽²⁾ (S\$)	Volume of traded Shares ⁽³⁾
26 to 27 February 2015	0.122	0.118	52,000
March 2015	0.129	0.114	1,062,700
April 2015	0.129	0.110	337,600
May 2015	0.121	0.102	865,900
June 2015	0.109	0.100	480,400
July 2015	0.109	0.100	487,300
1 to 26 August 2015	0.108	0.095	337,700

Source: ShareInvestor.com

Notes:-

- (1) The highest price was based on the highest transacted price for the Shares in a particular month.
- (2) The lowest price was based on the lowest transacted price for the Shares in a particular month.
- (3) The volume of traded Shares was based on the total volume of the Shares traded in a particular month.
- 2.2.5 For the 6 months period between 26 February 2015 and 26 August 2015, prior to the Company releasing the announcement on the Proposed Share Consolidation on 27 August 2015, the 6-month volume weighted average price of each Share for trades done on the Mainboard of the SGX-ST is S\$0.110. Upon completion of the Proposed Share Consolidation, the theoretical share price of each Consolidated Share will be S\$1.10 which complies with the minimum trading price requirement.
- 2.2.6 As at the Latest Practicable Date, the closing market price of the Shares which were traded on the SGX-ST is S\$0.108. Upon completion of the Proposed Share Consolidation, the theoretical share price of each Consolidated Share will be S\$1.08 which complies with the minimum trading price requirement.
- 2.2.7 **Shareholders should note that there is no assurance that the Proposed Share Consolidation will achieve the desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.**

2.3 Conditions for the Proposed Share Consolidation

- 2.3.1 Pursuant to Article 9(A) of the Articles of Association of the Company, the implementation of the Proposed Share Consolidation is subject to Shareholders' approval by way of an ordinary resolution at the EGM.
- 2.3.2 The Proposed Share Consolidation is subject to, *inter alia*, the following:-
- (a) the approval of Shareholders for the Proposed Share Consolidation, by way of an ordinary resolution at the EGM; and

LETTER TO SHAREHOLDERS

- (b) the in-principle approval of the SGX-ST for the dealing in, listing of and quotation for the Consolidated Shares on the Mainboard of the SGX-ST.
- 2.3.3 On 21 September 2015, the Company announced that it had obtained the in-principle approval of the SGX-ST for the dealing in, listing of and quotation for up to 39,378,108 Consolidated Shares, subject to the following conditions:-
 - (a) approval of Shareholders for the Proposed Share Consolidation at the EGM to be convened; and
 - (b) compliance with the listing requirements of the SGX-ST.
- 2.3.4 The in-principle approval of the SGX-ST is not to be taken as an indication of the merits of the Proposed Share Consolidation, the Consolidated Shares, the Company and/or its subsidiaries.
- 2.3.5 An announcement will be made by the Company to notify Shareholders of the date when the Proposed Share Consolidation will become effective and the date on which the Consolidated Shares will commence trading on the SGX-ST in board lots of 100 Consolidated Shares (the “**Effective Trading Date**”) as well as the Books Closure Date in due course.
- 2.3.6 Shareholders should note that whilst the Board is seeking Shareholders’ approval for the Proposed Share Consolidation, the Directors may decide not to proceed with the Proposed Share Consolidation if the Directors are of the view that, after taking into account all relevant factors, it is not beneficial to the Company and its Shareholders to do so. In such a case, an announcement will be made by the Company to notify Shareholders of the reasons why the Directors have decided not to proceed with the Proposed Share Consolidation.

2.4 Updating of Register of Members and Depository Register

If Shareholders at the EGM approve the Proposed Share Consolidation, the Shareholders’ entitlements of the Consolidated Shares will be determined on the Books Closure Date, based on their shareholdings as at 5.00 p.m. on such date. The Register of Members and the Depository Register will be updated to reflect the number of Consolidated Shares held by Shareholders based on their shareholdings in the Company as at the Books Closure Date and the Shares will begin trading in board lots of 100 Consolidated Shares on the Effective Trading Date.

2.4.1 *Deposit of Share Certificates with CDP*

Shareholders who hold physical share certificates for the Existing Shares in their own names (“**Existing Share Certificates**”) and who wish to deposit the same with CDP and have their Consolidated Shares credited to their Securities Accounts maintained with CDP must deposit their Existing Share Certificates with CDP, together with duly executed instruments of transfer in favour of CDP, no later than 12 Market Days prior to the Books Closure Date.

After the Books Closure Date, CDP will only accept the deposit of share certificates for Consolidated Shares (“**New Share Certificates**”). Shareholders who wish to deposit their share certificates with CDP after the Books Closure Date must first deliver their Existing Share Certificates to the Share Registrar, B.A.C.S. Private Limited at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, for cancellation and issuance of New Share Certificates in replacement thereof as described below. Upon receipt of the New Share Certificates in their own names, Shareholders may then proceed to deposit these New Share Certificates in their own names with CDP.

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2.4.2 *Issue of New Share Certificates*

Depositors and Shareholders who have deposited their Existing Share Certificates with CDP at least 12 Market Days prior to the Books Closure Date need not take any action. The Company will make arrangements with CDP to effect the exchange for New Share Certificates pursuant to the Proposed Share Consolidation.

Shareholders who have not deposited their Existing Share Certificates as aforesaid or who do not wish to deposit their Existing Share Certificates with CDP are advised to forward all their Existing Share Certificates to the Share Registrar, B.A.C.S. Private Limited at 8 Robinson Road, #03-00 ASO Building, Singapore 048544, as soon as possible after they have been notified of the Books Closure Date for cancellation and exchange for New Share Certificates, and preferably, not later than five (5) Market Days after the Books Closure Date for cancellation and exchange for New Share Certificates. No receipt will be issued by the Share Registrar upon receipt of any Existing Share Certificates. The New Share Certificates will be sent by ordinary mail to the registered addresses of Shareholders at their own risk within ten (10) Market Days from the Books Closure Date or the date of receipt of the Existing Share Certificates, whichever is later.

Shareholders are to deliver their respective Existing Share Certificates to the Company's Share Registrar or CDP in accordance with the provisions set out above.

Shareholders should note that New Share Certificates will not be issued to Shareholders unless their Existing Share Certificates have already been tendered to the Share Registrar for cancellation.

Shareholders should notify the Share Registrar if they have lost any of their existing Existing Share Certificates or if there is any change in their respective addresses from that reflected in the Register of Members.

Shareholders shall deliver their respective Existing Share Certificates to the Share Registrar or CDP in accordance with the provisions set out above, only after the Company's announcement of the Books Closure Date.

2.4.3 *Share Certificates Not Valid for Settlement of Trades on the Mainboard of the SGX-ST*

Shareholders are reminded that their Existing Share Certificates are not valid for settlement of trading in the Shares on the SGX-ST, as the Company is under a book-entry (scripless) settlement, but will continue to be accepted by the Share Registrar for cancellation and issue of New Share Certificates in replacement thereof for an indefinite period. The Existing Share Certificates will not be valid for delivery for trades done on the SGX-ST although they will continue to be *prima facie evidence of legal title*.

2.5 **Trading Arrangement for the Shares and Odd Lots**

2.5.1 *Trading Arrangements for the Shares*

Subject to Shareholders' approval of the Proposed Share Consolidation at the EGM, with effect from 9.00 a.m. on the Effective Trading Date, trading in the Shares will be in board lots of 100 Consolidated Shares. Accordingly, ten (10) Existing Shares as at 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date will represent one (1) Consolidated Share with effect from 9.00 a.m. on the Effective Trading Date. Trading in the Existing Shares will cease after 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date.

LETTER TO SHAREHOLDERS

2.5.2 Trading Arrangements for Odd Lots of Consolidated Shares

The Shares are currently traded in board lots of 100 Shares in the ready market. Following the Proposed Share Consolidation, the Securities Accounts of Shareholders (being Depositors) may be credited with odd lots of Consolidated Shares (that is, lots other than board lots of 100 Consolidated Shares). The market for trading of such odd lots of Consolidated Shares may be illiquid. Shareholders (being Depositors) who receive odd lots of Consolidated Shares pursuant to the Proposed Share Consolidation and who wish to trade such odd lots of Consolidated Shares on the SGX-ST should note that odd lots of Consolidated Shares can be traded on the unit share market which, following the Proposed Share Consolidation, would allow trading in odd lots with a minimum size of one (1) Consolidated Share. As odd lots of Consolidated Shares can be traded on the unit share market, no separate arrangements will be made for the trading of such odd lots.

All fractional entitlements arising from the implementation of the Proposed Share Consolidation will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including (i) disregarding the fractional entitlements or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company.

3. FINANCIAL EFFECTS

For illustration purposes only and based on the unaudited consolidated financial statements of the Company for FY2015, the financial effects of the Proposed Share Consolidation on the Group are set out below.

3.1 Assumptions

For the purpose of this Paragraph 3, the following assumptions apply:-

- 3.1.1 The pro forma financial effects of the Proposed Share Consolidation on the share capital, NTA per Share, EPS and gearing of the Group are set out below and are prepared purely for illustration only and do not reflect the actual future financial situation of the Group after the completion of the Proposed Share Consolidation. The pro forma financial effects have been computed based on the unaudited consolidated financial statements;
- 3.1.2 The number of Shares for the financial effects relating to the share capital of the Group, NTA per Share and EPS are based on 393,781,089 Shares as at 30 June 2015;
- 3.1.3 For the purposes of computing the effect of the Proposed Share Consolidation on the NTA per Share, it is assumed that the Proposed Share Consolidation had been completed on 30 June 2015; and
- 3.1.4 For the purposes of computing the effect of the Proposed Share Consolidation on the EPS, it is assumed that the Proposed Share Consolidation had been completed on 1 July 2015.

3.2 Share Capital

	As at 30 June 2015	After the Proposed Share Consolidation
Issued Share capital (S\$'000)	36,603,000	36,603,000
Issued Share capital (Number of Shares)	393,781,089	39,378,108

LETTER TO SHAREHOLDERS

3.3 NTA

	As at 30 June 2015	After the Proposed Share Consolidation
NTA (S\$)	67,936	67,936
NTA per Share (S\$ cents)	17.25	172.52

3.4 EPS

	As at 30 June 2015	After the Proposed Share Consolidation
Losses attributable to Shareholders (S\$'000)	(8,411,000)	(8,411,000)
Weighted average number of Shares for basic EPS	393,781,089	39,378,108
Weighted average number of Shares for diluted EPS	393,781,089	39,378,108
Basic EPS (S\$ cents per Share)	(2.14)	(21.36)
Diluted EPS (S\$ cents per Share)	(2.14)	(21.36)

3.5 Gearing

The Proposed Share Consolidation will not affect the gearing of the Group.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- 4.1 As at the Latest Practicable Date, the interests of the Directors in the Shares, as recorded in the Register of Directors' Shareholdings and Register of Substantial Shareholders' Shareholdings of the Company maintained pursuant to Sections 164 and 88 of the Companies Act, are as follows:-

	Number of Shares		
	Direct Interest	Deemed Interest	Total ⁽¹⁾ (%)
Directors			
Ang Yu Seng	137,248,408	—	34.85
Ang Yew Chye	32,559,431	—	8.27
Siau Kai Bing	120,000	—	0.03
Chan Kok Poh	240,000	—	0.06
Tan Min-Li	—	—	—
Substantial Shareholders (other than Directors)			
Ang Yew Lai	47,171,050	—	11.98
Goi Seng Hui	35,638,000	—	9.05

Note:-

(1) Based on the number of issued share capital of 393,781,089 as at the Latest Practicable Date.

- 4.2 None of the Directors or Substantial Shareholders has any interest, direct or indirect, in the Proposed Share Consolidation (other than through their respective shareholdings in the Company).

5. DIRECTORS' RECOMMENDATIONS

The Directors are of the opinion that the Proposed Share Consolidation is in the interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the ordinary resolution in respect of the Proposed Share Consolidation set out in the EGM notice.

LETTER TO SHAREHOLDERS

6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out in this Circular, will be held on 31 October 2015 at 11.00 a.m. (or as soon as practicable thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications the ordinary resolution set out therein.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

7.1 Appointment of Proxies

Shareholders who are unable to attend the EGM and wish to appoint a proxy/proxies to attend and vote on their behalf will find enclosed with this Circular, a Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the registered office of the Company not less than 48 hours before the time appointed for the holding of the EGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM in place of his proxy/proxies if he finds that he is able to do so. In such an event, the Proxy Form will be deemed to be revoked.

7.2 Depositors

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 48 hours before the time fixed for the EGM.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Share Consolidation, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

9. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company during normal business hours from the date of this Circular up to and including the date of the EGM:-

- (a) the Memorandum and Articles of Association of the Company; and
- (b) the annual report of the Company for the financial year ended 30 June 2015.

Yours faithfully

For and on behalf of the Board of Directors of
UNION STEEL HOLDINGS LIMITED

Ang Yu Seng
Executive Chairman and Chief Executive Officer

NOTICE OF EXTRAORDINARY GENERAL MEETING

UNION STEEL HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200410181W)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the shareholders of Union Steel Holdings Limited (the “**Company**”) will be held at 33 Pioneer Road North Singapore 628474, on Saturday, 31 October 2015 at 11.00 a.m. (or as soon as practicable thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place), for the purpose of considering and, if thought fit, passing with or without amendment, the ordinary resolution as set out below.

All capitalised terms used in this Notice which are not defined herein shall have the meanings ascribed to them in the circular to shareholders of the Company dated 16 October 2015.

ORDINARY RESOLUTION

THE PROPOSED CONSOLIDATION OF EVERY TEN (10) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS OF THE COMPANY AS AT THE BOOKS CLOSURE DATE TO BE DETERMINED, INTO ONE (1) CONSOLIDATED SHARE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE “PROPOSED SHARE CONSOLIDATION”)

That pursuant to the Articles of Association of the Company, approval be and is hereby given:-

- (a) for the proposed consolidation of every ten (10) Existing Shares held by Shareholders as at the Books Closure Date into one (1) Consolidated Share in the manner set out in the circular to shareholders of the Company dated 16 October 2015;
- (b) any fraction of a Consolidated Share which may arise from the Proposed Share Consolidation pursuant to paragraph (a) above shall be disregarded, and all fractional entitlements arising from the implementation of the Proposed Share Consolidation will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including (i) disregarding the fractional entitlements, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company;
- (c) the Directors be and are hereby authorised to fix the Books Closure Date and the Effective Trading Date in their absolute discretion; and
- (d) the Directors and each of them be and is hereby authorised to take any and all steps and to do and/or procure to be done any and all acts and things (including without limitation, to approve, sign and execute all such documents which they in their absolute discretion consider to be necessary, and to exercise such discretion as may be required, to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they and/or he may consider necessary, desirable or expedient in order to implement, finalise and give full effect to this Ordinary Resolution and the Proposed Share Consolidation and/or the matters contemplated herein.

By Order of the Board

Chew Kok Liang
Shirley Tan Sey Liy
Company Secretaries
16 October 2015

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:-

1. A Member of the Company entitled to attend and vote at the Extraordinary General Meeting (the “**Meeting**”) of the Company is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. 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 the Meeting.

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

UNION STEEL HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200410181W)

IMPORTANT

1. For investors who have used their CPF monies to buy shares of Union Steel Holdings Limited, this Circular is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, _____ (Name)

of _____ (Address)

being a member/members of **UNION STEEL HOLDINGS LIMITED** (the “Company”), hereby appoint:

Name	NRIC / Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC / Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as *my/our *proxy/proxies to vote for *me/us on *my/our behalf at the Extraordinary General Meeting (the “Meeting”) of the Company to be held at 33 Pioneer Road North Singapore 628474, on Saturday, 31 October 2015 at 11.00 a.m. and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against the Ordinary Resolution proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the *proxy/proxies will vote or abstain from voting at *his/her discretion.

(Please indicate your vote “For” or “Against” with a tick [✓] within the box provided.)

	For	Against
Ordinary Resolution: To approve the Proposed Share Consolidation		

Dated this _____ day of _____ 2015

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

*Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF



Notes:-

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a Meeting of the Company is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints two (2) proxies, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. If no percentage is specified, the first named proxy shall be deemed to represent 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named or at the Company's option to treat the instrument of proxy as invalid.
4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
6. A corporation which is a member may authorise by resolution of its Directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:-

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 16 October 2015.