

UNION STEEL HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200410181W)

ACQUISITION BY WHOLLY-OWNED SUBSIDIARY OF 70% OF THE TOTAL ISSUED AND PAID UP SHARE CAPITAL OF MEGAFAB ENGINEERING PTE LTD (THE "ACQUISITION")

1. INTRODUCTION

The board of directors (the "**Board**") of Union Steel Holdings Limited (the "**Company**") wishes to announce that the Company's wholly-owned subsidiary, Union Engineering Pte Ltd, has on 14 November 2016 entered into a sale and purchase agreement (the "**SPA**") with Multico Marketing & Services Pte Ltd for the acquisition of 210,000 shares in Megafab Engineering Pte Ltd ("**Megafab Engineering**"), representing 70% of the total issued and paid up share capital of Megafab Engineering (the "**Sale Shares**").

2. ACQUISITION

- 2.1 Megafab Engineering, a company incorporated in Singapore with its registered office at 11 Tuas View Crescent Singapore 637643, is a specialist in land transport engineering solutions. The company provides comprehensive ranges of equipment and components for load handling, including truck-mounted cranes, tailgate, rubbish compactor, and is the sole distributor for EFFER, ZEPRO and GEESINKNORBA. The other shareholder in Megafab Engineering, who holds 30% of the total issued and paid up share capital of Megafab Engineering, is Mr Neo Meng Yee. Mr Neo Meng Yee is also a director of Megafab Engineering.
- 2.2 The purchase consideration for the Sale Shares is SGD 900,000 (the "**Purchase Consideration**"). The Purchase Consideration was arrived at on a willing buyer and willing seller basis. The Purchase Consideration will be satisfied on completion by way of a cheque drawn on a licensed bank in Singapore.
- 2.3 Based on the management accounts of Megafab Engineering as at 31 August 2016, the net asset value of the Sale Shares is an aggregate of SGD 903,000 at SGD 4.30 per share.
- 2.4 The Acquisition constitutes a "Non-Disclosable Transaction" as defined in Chapter 10 of the Singapore Exchange Securities Trading Limited Listing Manual.

3. COMPLETION OF THE ACQUISITION

Completion of the Acquisition is expected to take place on 29 November 2016.

4. DOCUMENT FOR INSPECTION

The SPA is available for inspection during normal business hours at the registered office of the Company at 33 Pioneer Road North, Singapore 628474 for three months from the date of this announcement.

By Order of the Board

Ang Yu Seng
Executive Chairman and Chief Executive Officer
14 November 2016