



**UNION STEEL HOLDINGS LIMITED**

Co Reg. No.: 200410181W

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

---

## **GRANT AND EXERCISE OF OPTION TO PURCHASE THE PROPERTY AT 1 BENOI ROAD SINGAPORE 629875**

---

### **1. INTRODUCTION**

The board of directors ("**Board**" or "**Directors**") of Union Steel Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**"), wishes to announce that the Company's wholly-owned subsidiary, Applied Engineering Pte Ltd (the "**Purchaser**"), was granted by **Asia-Pacific Shipyard Pte. Ltd. (Receivers And Managers Appointed Over Relevant Charged Property)** (the "**Vendor**") acting through Timothy James Reid and Ng Yau Yee Theresa (c/o Baker Tilly Advisory Pte. Ltd.) in their capacity as receivers and agents of the Vendor an option to purchase dated 14 August 2025 (the "**Option**") in respect of the balance of the 20-year leasehold interest commencing from 16 April 2010 between the Vendor and the JTC Corporation ("**JTC**") for 1 Benoi Road Singapore 629875 together with the buildings and structures erected (the "**Property**"), and the Purchaser has, on 15 August 2025, exercised the Option in accordance with the terms of the Option ("**Proposed Acquisition**").

The exercise of the Option by the Purchaser constitutes a binding contract for the sale and purchase of the Property at the Consideration (as defined below) (the "**Agreement**").

### **2. INFORMATION RELATING TO THE PROPERTY AND THE VENDOR**

The Property is a leasehold property with an initial lease term of 20 years commencing from 16 April 2010. The Purchaser will be acquiring the remaining leasehold interest up to 15 April 2030, subject to JTC's approval for the assignment of the lease and compliance with the terms and conditions of the existing JTC lease. In addition, the Purchaser will be seeking JTC's approval for a further lease extension of eight (8) years from 16 April 2030 to 15 April 2038. The Proposed Acquisition is subject to, among other things, the receipt of JTC's written consent and/or approval for the grant of the said lease extension. Accordingly, the consideration for the transaction has been determined based on a notional lease tenure extending to 15 April 2038, reflecting the Purchaser's intended long-term use of the Property.

The Property comprises a 2-storey office block with a 1-storey annex office, three blocks of single-storey workshops, a mould loft building with shelter and incoming switch room, a lifting store and container, a hydraulic and diving workshop, a winch shed, a safety office/canteen/toilet block, a heavy load storage area, a fabrication workshop, an open metal work fabrication workshop, a gas and diesel storage area, a guard house, a water slipway and wharf. It has a land area of 48,183 square meters with a shoreline of 230 meters.

The Vendor is a company incorporated in Singapore and was formerly engaged in the business of shipbuilding and repair. The company is currently in creditors' voluntary liquidation, and receivers and managers have been appointed over the charged property for the purpose of its disposal. None of the Vendor or its directors or shareholders are related to the Company, the Directors and controlling shareholders of the Company or its respective associates.

### 3. PRINCIPAL TERMS OF THE OPTION

#### 3.1. Consideration

Pursuant to the terms and conditions of the Option, the consideration for the Proposed Acquisition is S\$7,500,000 (excluding the prevailing goods and services tax ("GST") and stamp duty payable in connection with the Proposed Acquisition) (the "**Consideration**") which shall be satisfied by the Purchaser in the following manner:

- a. The amount of S\$750,000.00, being 10% of the Consideration (the "**Option Fee**") which has been paid to the Vendor's Solicitors upon exercise of the Option on 15 August 2025 and is held by the Vendor's Solicitors as stakeholders pending Completion (as defined below); and
- b. The balance purchase price of S\$6,750,000 which shall be payable to the Vendor's Solicitors on Completion, to be held or applied in accordance with the terms of the Option.

The Company has appointed GB Global Pte Ltd as the independent property valuer (the "Valuer") to conduct a valuation of the Property, based on the assumption of a notional lease term extending to 15 April 2038, which reflects the Purchaser's intended long-term use of the Property and forms the basis of the consideration offered. A valuation report dated 13 August 2025 (the "Valuation Report") was issued by the Valuer, indicating that the market value of the Property, on the basis of the assumed extended lease tenure, is S\$11,400,000. The consideration for the Proposed Acquisition was arrived at following arm's length negotiations on a willing-buyer, willing-seller basis, taking into account, among other things, the Valuation Report, the location and attributes of the Property, the property market conditions in the vicinity, and other relevant commercial considerations.

The acquisition of Property will be funded through a combination of internal resources and bank borrowings.

#### 3.2. Conditional Acquisition

Completion is subject to and conditional upon, *inter alia*, the following conditions precedent:

- a) Approval being granted by JTC for the Vendor to sell and the Purchaser to purchase the Property;
- b) the written consent and/or approval from JTC to grant a further lease term of eight (8) years from 16 April 2030 to 15 April 2038 in respect of the Property,

(collectively the "**JTC Approvals**").

#### 3.3. Completion

Subject to the satisfaction of the conditions in the Option, completion of the sale and purchase of the Property (the "**Completion**") is expected to take place on or within:

Twenty-eight (28) days from the date of the JTC Approvals (or in the event that the JTC Approvals are given subject to conditions, then the date of the JTC Approvals shall be the date on which JTC confirms that such conditions have been fulfilled);

#### 4. RATIONALE FOR THE PROPOSED ACQUISITION

The acquisition of the Property is a strategic initiative to enhance the Purchaser's fabrication capabilities, particularly in the production of oversized pressurised equipment which requires direct waterfront access. The Property offers such access along with a larger workshop space, thereby enabling the Purchaser to expand its operations in pressure vessel fabrication, large-scale structural works (including topside modules and heavy steel components), as well as ship repair activities. This is expected to strengthen the Purchaser's operational capacity and positioning to undertake larger and more complex projects.

#### 5. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

##### 5.1. Relative Figures

Based on the consolidated financial statements of the Group for the period ended 30 June 2024 (being the latest announced consolidated accounts of the Group as at the date of this announcement), the relative figures for the Proposed Acquisition computed on the bases set out in Rules 1006(a) to (e) of the SGX-ST Listing Manual (the "**Listing Rules**") are set out in the table below.

Rule	Base	Relative Figure (%) <sup>1</sup>
1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value.	Not applicable <sup>2</sup>
1006(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits.	Not applicable <sup>3</sup>
1006(c)	The aggregate value of the Consideration given or received, compared with the issuer's market capitalisation <sup>4</sup> based on the total number of issued shares excluding treasury shares.	11.10%
1006(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable <sup>5</sup>
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves.	Not applicable <sup>6</sup>

##### Notes

<sup>1</sup> Percentage figures are rounded to the nearest two (2) decimal places.

<sup>2</sup> Not applicable, as the Proposed Acquisition is in relation to the acquisition (and not a disposal) of assets.

<sup>3</sup> Not applicable as the Property is not a revenue-generating asset.

<sup>4</sup> The total estimated cost of the Property (including the GST and stamp duty) is SGD 8,520,000. This cost consists of SGD 7,500,000 for the Consideration of the Property, SGD 675,000 for the GST payable on the purchase and SGD 345,000 for the stamp duty incurred from the purchase of the Property. "**Market capitalisation**" is calculated multiplying the number of ordinary shares in the capital of the Company (excluding treasury shares) by the volume weighted average

market price of S\$0.65 per share as at 4 August 2025, being the market day immediately preceding the date of the exercise of the Option on which shares were last traded on the SGX-ST.

<sup>5</sup> Not applicable, as equity securities are not issued by the Company as consideration for the Proposed Acquisition.

<sup>6</sup> Not applicable, as the Company is not a mineral, oil and gas company.

The aggregated relative figure as computed on the bases set out in Rule 1006(c) of the Listing Manual exceeds 5% but does not exceed 20%. Accordingly, the Proposed Acquisition constitutes a “disclosable transaction” under Chapter 10 of the Listing Manual.

## 6. FINANCIAL EFFECTS OF THE ACQUISITION

### 6.1. Illustrative Nature of Financial Effects

The financial effects of the Proposed Acquisition on the Group below are prepared purely for illustrative purposes, and do not reflect the actual future financial performance or position of the Group after Completion. The financial effects of the Proposed Acquisition on the net tangible assets (“**NTA**”) per share and earnings per share (“**EPS**”) of the Company have been computed based on the Group’s audited financial statements for the financial year ended 30 June 2024.

### 6.2. NTA per share

Assuming that the Proposed Acquisition had been completed on 30 June 2024 (being the end of the most recently completed financial year ended 30 June 2024), the effects on the NTA per share of the Company would be as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA (S\$)	80,272,000	80,222,000 <sup>(1)</sup>
Number of ordinary shares	118,134,300	118,134,300
NTA per ordinary share (cents)	67.95	67.91

Notes:

<sup>(1)</sup> The decrease in NTA after the Proposed Acquisition was due to the further deduction of the estimated legal, professional and administrative cost incurred due to the Proposed Acquisition.

### 6.3. EPS

Assuming that the Proposed Acquisition had been completed on 1 July 2023 (being the beginning of the most recently completed financial year ended 30 June 2024, the effects of the Proposed Acquisition on the EPS of the Company would be as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
Profit attributable to the shareholders (S\$)	12,729,000	12,970,000
Weighted average no. of ordinary shares – Basic	118,134,300	118,134,300
EPS (cents) - Basic	10.78	10.98

**7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors or the controlling shareholders of the Company or their respective associates have any interest, direct or indirect, in the Proposed Acquisition other than through their respective shareholdings in the Company.

**8. SERVICE CONTRACT**

No person is proposed to be appointed to the Board in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

**9. DOCUMENT AVAILABLE FOR INSPECTION**

The Option and the Valuation Report are available for inspection during normal business hours at the registered office of the Company at 33 Pioneer Road North, Singapore 628474 for three (3) months from the date of this announcement.

**10. FUTURE ANNOUNCEMENTS**

The Company will make further announcements in relation to the Proposed Acquisition as and when there are material developments.

**11. CAUTIONARY STATEMENT**

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully, and should note that the completion of the Proposed Acquisition is subject to certain conditions precedent. Shareholders and potential investors of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests and to exercise caution when dealing in the securities of the Company. In the event of any doubt, the shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors.

**BY ORDER OF THE BOARD**

Ang Yu Seng  
Executive Chairman and Chief Executive Officer

15 August 2025