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EXERCISE OF OPTION TO PURCHASE IN RELATION TO THE PROPOSED DISPOSAL OF PROPERTY AT 41 MIDDLE ROAD #03-00 SINGAPORE 188950

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, Hock Ann Metal Scaffolding Pte Ltd (the "**Vendor**"), had on 11 July 2026 granted an Option to Purchase (the "**OTP**") to Spike Brothers Pte Ltd (the "**Purchaser**"), a Singapore-incorporated company and an unrelated third-party purchaser in respect of the sale of the investment property located at 41 Middle Road #03-00 Singapore 188950 (the "**Property**") for a purchase consideration of **S$2,880,000**, exclusive of Goods and Services Tax ("**GST**"), upon the terms and conditions set out in the OTP (the "**Proposed Disposal**").

The Board further wishes to announce that the Purchaser has validly exercised the OTP on 28 July 2026. Pursuant to such exercise, the OTP has become a binding agreement for the sale and purchase of the Property between the Vendor and the Purchaser, subject to the terms and conditions contained therein.

2. INFORMATION RELATING TO THE PROPERTY

The Property is located at 41 Middle Road #03-00 Singapore 188950 and comprises a strata-titled commercial unit held under a 999-year leasehold tenure commencing from 30 January 1835 and expiring on 29 January 2834, with a gross floor area of approximately 94 square metres.

Based on the Group's latest announced audited consolidated financial statements for the financial year ended 30 June 2025 ("**FY2025 Financial Statements**"):

(a) the carrying amount (net book value) of the Property was approximately S$2,000,000; and

(b) the Proposed Disposal is expected to result in an estimated gain on disposal of approximately S$820,000, after taking into account the carrying amount of the Property and estimated professional fees and other transaction-related expenses of approximately S$60,000.

The Property is presently classified as an investment property of the Group and is not utilised for the Group's principal operating activities.

3. INFORMATION ON THE PURCHASER

The Purchaser, Spike Brothers Pte Ltd is an unrelated third party and does not have any shareholding interest, direct or indirect in the Company or the Group, nor is the Purchaser related to any of the Directors, substantial shareholders of the Company, or their respective associates. None of the Directors or substantial shareholders of the Company or their respective associates are related to the Purchaser.

4. PRINCIPAL TERMS OF THE PROPOSED DISPOSAL

4.1 Purchase Consideration

The Property is being disposed of for a purchase consideration of S$2,880,000, exclusive of GST. GST payable in respect of the Proposed Disposal amounts to S$259,200. Accordingly, the aggregate consideration payable by the Purchaser is S$3,139,200 ("**Consideration**").

The Consideration was arrived at on a willing-buyer and willing-seller basis after arm's length negotiations between the Vendor and the Purchaser, taking into account, amongst others:

(a) the carrying amount of the Property;

(b) prevailing market conditions and comparable market transactions for similar properties; and

(c) the commercial value of the Property.

4.2 Grant and Exercise of the OTP

The Vendor granted the OTP to the Purchaser on 11 July 2026. Upon the grant of the OTP, the Purchaser paid an option fee of S$28,800, representing 1% of the purchase price.

The Purchaser validly exercised the OTP on 28 July 2026 by paying a further deposit of S$115,200, representing 4% of the purchase price, to the Vendor's solicitors as stakeholders pending completion. Together with the option fee paid upon the grant of the OTP, the Purchaser has paid an aggregate deposit of S$144,000, representing 5% of the purchase price.

4.3 Completion

Pursuant to the terms of the OTP, completion of the Proposed Disposal is scheduled to take place on 10 November 2026, or such other date as may be mutually agreed in writing between the Vendor and the Purchaser.

Upon completion, the Purchaser shall pay the balance purchase price of S$2,736,000, together with the applicable GST, by way of cashier's order and/or electronic funds transfer in accordance with the terms of the OTP.

Upon receipt of the balance consideration, the Vendor shall complete the sale and transfer of the Property to the Purchaser in accordance with the terms of the OTP.

4.4 Conditions

Completion of the Proposed Disposal is subject to the Purchaser's solicitors receiving satisfactory replies to the legal requisitions and satisfactory Interpretation Plans from the relevant Government authorities, as well as the terms and conditions contained in the OTP.

The Proposed Disposal is further subject to the Law Society of Singapore's Conditions of Sale 2020, to the extent applicable and except where varied by the terms of the OTP.

5. RATIONALE FOR THE PROPOSED DISPOSAL AND USE OF PROCEEDS

The Proposed Disposal enables the Group to realise the value of the Property and is expected to generate an estimated gain on disposal. The Directors believe that the Proposed Disposal is in the best interests of the Company and its shareholders as a whole.

The net proceeds arising from the Proposed Disposal will be applied towards the Group's general working capital requirements, repayment of borrowings and/or future business and investment opportunities, as the Board may determine from time to time.

6. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

6.1 Classification of the Transaction

At the time the Vendor granted the OTP on 11 July 2026, the Company assessed the applicable percentage ratios under Rule 1006 of the Listing Manual and concluded that all of the applicable percentage ratios were below 5%. Accordingly, the Proposed Disposal did not constitute a disclosable transaction under Chapter 10 of the Listing Manual at that time and no announcement was required.

Following the valid exercise of the OTP by the Purchaser on 28 July 2026, the Company reassessed the applicable percentage ratios under Rule 1006 of the Listing Manual based on the circumstances prevailing as at the date of exercise.

The relative figures for the Proposed Disposal computed pursuant to Rule 1006 of the Listing Manual, based on the Group's latest announced audited consolidated FY2025 financial statements, are set out below:

Rule 1006	Bases	Relative figures (%)(1)
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value(2)	2.1%

(b)	Net profits attributable to the assets disposed of, compared with the Group's net profits(3)	0.4%
(c)	Aggregate value of the consideration received compared with the Company's market capitalisation based on the total number of issued shares in the Company, excluding treasury shares(4)	5.1%
(d)	Number of equity securities issued by the Company as consideration for the Proposed Disposal, compared with the number of equity securities previously in issue	Not Applicable
(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

Notes:

(1) Percentage figures are rounded to the nearest one (1) decimal place.

(2) The net asset value of the Group and the carrying amount of the proposed disposed property as at 30 June 2025 amounted to approximately S$96,439,000 and S$2,000,000 respectively, based on the Group's latest audited consolidated FY2025 financial statements. The relative figure is determined by dividing the carrying value of the proposed disposed property by the net asset value of the Group as at 30 June 2025.

(3) For this purpose, "net profits" are defined as profit including discontinued operations that have not been disposed of and before income tax and non-controlling interests, as extracted from the Group's latest audited consolidated FY2025 financial statements. The net profits of the Group and the proposed disposed property of approximately S$10,272,000 and S$46,000 respectively are based on the Group's latest audited consolidated FY2025 financial statements. The relative figure is determined by dividing the net profit of the proposed disposed property for FY2025 by the net profit of the Group for the same period.

(4) The market capitalisation of the Company is approximately S$56,114,000, which is determined by multiplying the number of shares in issue (being 118,134,300 shares) by the volume weighted average price of the shares (being S$0.475) transacted on 27 July 2026, being the market day immediately preceding the date of the OTP.

Based on the above:

- the relative figure computed under Rule 1006(c) exceeds 5% but does not exceed 20%; and
- the remaining applicable percentage ratios are below 5%.

Accordingly, the Proposed Disposal constitutes a discloseable transaction under Chapter 10 of the Listing Manual and does not require the approval of shareholders of the Company.

6.2 Illustrative Nature of Financial Effects

The financial effects of the Proposed Disposal on the Group as set out below are for illustrative purposes only and are not intended to reflect the actual future financial performance or position of the Group immediately after completion of the Proposed Disposal. They are prepared based on latest announced full year audited consolidated financial statements of the Group, FY2025, being the most recently completed financial year.

Net Tangible Assets ("NTA")

For illustrative purposes only and assuming that the Proposed Disposal had been completed on 30 June 2025, the pro forma financial effects of the Proposed Disposal on the NTA of the Group are as follows:

	Before the Proposal Disposal	**After the Proposed Disposal**
NTA (S$'000)	88,539	89,359
Number of ordinary shares ('000)	118,134	118,134
NTA per ordinary share (cents)	74.95	75.64

Earnings Per Share ("EPS")

For illustrative purposes only and assuming that the Proposed Disposal had been effected on 1 July 2024 (being the beginning of the most recently completed financial year of the Group), the effects of the Proposed Disposal on the EPS of the Company would be as follows:

	Before the Proposal Disposal	**After the Proposed Disposal**
Profit attributable to shareholders S$'000)	9,540	10,314
Weighted average no. of ordinary shares ('000)	118,134	118,134
EPS (cents)	8.08	8.73

6.3 Net Proceeds

The gross proceeds from the Proposed Disposal amount to S$2,880,000, exclusive of GST. After deducting estimated professional fees and transaction-related expenses, the Group expects to receive net proceeds of approximately S$2,820,000.

The net proceeds are presently intended to be applied towards:

(a) general working capital requirements; and/or

(b) funding future business expansion and investment opportunities.

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 Disposal other than through their respective shareholdings in the Company.

8. DOCUMENT AVAILABLE FOR INSPECTION

The dully exercised OTP is 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.

9. FUTURE ANNOUNCEMENTS

The Company will make further announcement(s), where appropriate, upon the completion of the Proposed Disposal or if there are any material developments in relation thereto.

10. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Shareholders should note that, notwithstanding the exercise of the OTP, completion of the Proposed Disposal remains subject to the fulfilment of the terms and conditions of the OTP. Accordingly, there can be no assurance that the Proposed Disposal will be completed.

Shareholders and investors are advised to read this announcement and any further announcements by the Company carefully, and 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
28 July 2026