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UNION STEEL HOLDINGS LIMITED

友联钢铁控股有限公司

33 Pioneer Road North Singapore 628474 Tel : (65) 6861 9833 Fax: (65) 6862 9833
GST Reg. No: 20-0410181W

ENTRY INTO A SALE AND PURCHASE AGREEMENT IN RELATION TO THE DISPOSAL OF FASTWELD ENGINEERING CONSTRUCTION PTE LTD

1. Introduction

- 1.1 The board of directors ("**Board**") of Union Steel Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") refer to the announcement released on 2 February 2026 ("**Announcement**") in relation to the Company's wholly-owned subsidiary, Union Engineering Pte Ltd ("**Seller**") having entered into a non-binding memorandum of understanding ("**MOU**") with Eneco Singapore Pte. Ltd. ("**Buyer**") for the proposed disposal of the Seller's entire interest in its wholly-owned subsidiary, Fastweld Engineering Construction Pte. Ltd. ("**Target Company**" or "**Fastweld**") ("**Sale Shares**") to the Buyer.
- 1.2 Unless otherwise stated, capitalised terms used herein shall have the same meaning given to them in the Announcement.
- 1.3 Further to the Announcement, the Board wishes to announce that the Seller has on 24 April 2026 entered into a sale and purchase agreement in respect of the Sale Shares with the Buyer ("**SPA**"), pursuant to which, the Seller has agreed to sell the Sale Shares to the Buyer, and the Buyer has agreed to purchase the Sale Shares from the Seller, on the terms and subject to the conditions set out in the SPA ("**Proposed Disposal**").

2. Information on the Buyer

The Buyer is a company incorporated in Singapore with its registered address at 300 Tampines Avenue 5 #05-02, Income at Tampines Junction, Singapore 529653. The Buyer is engaged in the business of investment holding and wholesale activities conducted on a fee or commission basis.

The Buyer is a wholly owned subsidiary of Eneco Energy Limited, a company listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

3. Information on the Target Company

The Target Company is a company incorporated in Singapore with its registered address at 2 Kranji Link, Singapore 728648. The Target Company is an engineering procurement and maintenance contractor providing engineering, maintenance and construction services to clients in the marine, offshore and industrial sectors, including process plant maintenance, site-based execution works and project-based engineering activities.

4. Rationale for the Proposed Disposal

Following the integration and operation of the Group's recent years' acquisitions, including the acquisition of the Target Company in November 2022, the Board has undertaken a strategic review of the Group's business portfolio as part of its ongoing efforts to optimise capital allocation, management focus and long-term strategic positioning.

The Target Company is an established engineering procurement and maintenance contractor that operates a predominantly execution-driven and project-based engineering and construction business, serving clients in the marine, offshore and industrial sectors. While the Target Company has contributed positively to the Group since its acquisition, the Board notes that its business profile, operating model and dynamics differ from the Group's core engineering and manufacturing businesses, which are more focused on fabrication, structured project delivery and production-oriented operating platforms.

If the Proposed Disposal is eventually completed, it is expected to allow the Group to further streamline its operations and reallocate management attention and financial resources towards business segments that are more closely aligned with the Group's long-term strategic priorities.

5. Salient terms of the SPA

5.1 Consideration

The consideration for the sale and purchase of the Sale Shares shall be S\$4,300,000 ("**Consideration**") payable in cash by the Buyer to the Seller on the completion date. The Consideration was mutually arrived at after arms' length negotiations between the Seller and Buyer on a willing-seller and willing-buyer basis after taking into consideration, *inter alia*, the net asset value of the Target Company based on its latest available management accounts, the historical financial performance of the Target Company, the business prospects of the Target Company, and the strategic rationale of the Proposed Disposal.

5.2 Conditions Precedent

The Proposed Disposal is conditional upon satisfaction of the following conditions:

- (a) where required, the in-principle approval by the SGX-ST, and where such approvals are subject to any conditions, such conditions being satisfactory to the Buyer and its parent company, Eneco Energy Limited ("**Parent**");
- (b) the approval by the shareholders of the Parent at an extraordinary general meeting to be held by the Parent (or at any adjournment of such meeting), for the transactions contemplated by the SPA;
- (c) the business, financial, tax, accounting and legal due diligence conducted by the Buyer on the Target Company in connection with the transactions contemplated by the SPA, having been completed to the Buyer's satisfaction acting reasonably and the results of which are satisfactory to the Buyer acting reasonably;
- (d) no material adverse change (as determined by the Buyer acting reasonably) in the turnover, profitability, financial or trading position of the Target Company having occurred between the date of the SPA and completion;

- (e) the Seller's warranties as set out in the SPA being and remaining true, accurate and not misleading in all material respects as at the date of the SPA and as at completion;
- (f) no injunction, interim or otherwise, having been granted in respect of the Seller, the Target Company, the Buyer or the Parent, and no laws having been enacted or proposed, which would prohibit, restrict or delay (i) the Seller or the Buyer from entering into or performing their obligations under the SPA; or (ii) the implementation of the transactions contemplated by the SPA;
- (g) the Seller having obtained all relevant consents and approvals from, and the making of all relevant notifications to the relevant regulatory and government bodies in respect of the Proposed Disposal.

The Buyer may at any time waive in whole or in part and conditionally or unconditionally the conditions set out above by notice in writing to the Seller.

5.3 Completion

Subject to the satisfaction of the conditions set out in paragraph 5.2, completion shall take place at the office of the Seller (or at such other place as the Buyer and the Seller may agree in writing) or remotely via electronic means.

6. Financial Information

6.1 Relative figures for the Proposed Disposal under Chapter 10 of the Listing Manual

The relative figures for the Proposed Disposal, computed on the bases set out in Rule 1006 of the Listing Manual and based on the Group's latest announced consolidated financial statements, being the unaudited condensed interim financial statement of the Group for the six months ended 31 December 2025 ("**1H26 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⁾	2.5%
(b)	Net profits attributable to the assets disposed of, compared with the Group's net profits ⁽³⁾	5.2%
(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⁾	7.3%
(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 Fastweld as at 31 December 2025 amounted to approximately S\$100,172,000 and S\$2,542,000 respectively, based on the latest announced consolidated financial statements of the Group, being the unaudited condensed interim financial statements. The relative figure is determined by dividing the net asset value of Fastweld by the net asset value of the Group as at 31 December 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 latest announced consolidated financial statements of the Group. The net profits of the Group and Fastweld of approximately S\$5,184,000 and S\$270,000 respectively are based on the unaudited condensed interim financial statements of the Group for the six months ended 31 December 2025. The relative figure is determined by dividing the net profit of Fastweld for the six-month period from 1 July 2025 to 31 December 2025 by the net profit of the Group for the same period.
- (4) The market capitalisation of the Company is approximately S\$59,067,000, 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\$0.500) transacted on 23 April 2026, being the market day immediately preceding the date of the SPA.

As the relative figures computed based on Rules 1006 (b) and (c) of the Listing Manual exceeds 5% but does not exceed 20%, the Proposed Disposal is a "disclosable transaction" for purposes of Chapter 10 of the Listing Manual which does not require the approval of the shareholders of the Company at a general meeting.

6.2 **Book Value**

Based on the 1H26 Statements, the book value of the Sale Shares as at 31 December 2025 is approximately S\$2,542,000, and the excess of the proceeds over the book value is S\$1,758,000.

6.3 **Net Tangible Asset Value**

Based on the 1H26 Statements, the net tangible asset ("**NTA**") value of the Sale Shares as at 31 December 2025 is approximately S\$2,542,000. As at the date of this announcement, there is no available open market valuation of the Sale Shares as it is not publicly traded.

6.4 **Net Gain on Disposal and Use of Proceeds**

The Proposed Disposal will result in a gain on disposal of approximately S\$1,758,000, before deducting transaction-related expenses.

The net proceeds arising from the Proposed Disposal, if completed, may be applied towards debt reduction, working capital requirements and/or future growth opportunities, subject to prevailing market conditions and the Group's capital needs at the relevant time.

6.5 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.

6.5.1 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	90,547
Number of ordinary shares ('000)	118,134	118,134
NTA per ordinary share (cents)	74.95	76.65

6.5.2 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	11,548
Weighted average no. of ordinary shares ('000)	118,134	118,134
EPS (cents)	8.08	9.78

7. Interest of Directors and Controlling Shareholders

Save as disclosed below, none of the Directors or controlling shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Disposal.

Mr. Ang Yu Seng, the Executive Chairman and Chief Executive Officer of the Company, is a Non-Independent Non-Executive Director and Chairman of Eneco Energy Limited, the parent company of the Buyer. Mr. Ang Yew Chye is the brother of Mr. Ang Yu Seng.

With reference to paragraph 5(a) of the Announcement, the Board wishes to clarify that the Buyer is not an “interested person” for purposes of Chapter 9 of the Listing Manual, as it is not an “associate” (as defined in the Listing Manual) of any director, chief executive officer, or controlling shareholder of the Company (i.e. none of the directors, chief executive officer or controlling shareholders of the Company individually or collectively with his immediate family has an interest of 30% or more in the Buyer). Accordingly, the Proposed Disposal would not constitute an “interested person transaction” under Chapter 9 of the Listing Manual.

8. Director's Service Contracts

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person in connection with the Proposed Disposal.

9. Documents available for inspection

Copies of the SPA is available for inspection at the registered office of the Company at 33 Pioneer Road North, Singapore 628474, during normal business hours for three (3) months from the date of this announcement.

10. Directors' Responsibility Statement

10.1 The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Disposal, the issuer and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

10.2 Where information in this announcement 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 this announcement in its proper form and context.

11. Further Announcements

The Company will make the necessary announcement(s) in relation to the Proposed Disposal as and when there are any material developments on the matter, including the completion of the Proposed Disposal.

12. 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 entry into and completion of the Proposed Disposal is subject to 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
27 April 2026