

CIRCULAR DATED 28 MARCH 2022

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Circular is issued by Union Steel Holdings Limited (the “Company”). If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your Shares in the capital of the Company, you should immediately forward this Circular, together with the Notice of EGM and the accompanying Proxy Form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular has been made available on SGXNET and may be accessed on the Company’s website at the following URL: <https://www.unionsteel.com.sg/>. Printed copies of this Circular, the Notice of EGM and the accompanying Proxy Form will NOT be despatched to Shareholders.

As a precautionary measure, due to the current COVID-19 situation in Singapore, Shareholders will not be able to physically attend the EGM. Instead, alternative arrangements have been put in place to allow Shareholders to participate in the EGM via electronic means. Shareholders should refer to paragraph 10 of this Circular in relation to such arrangements for further information, including the steps to be taken by Shareholders to participate at the EGM.

The Singapore Exchange Securities Trading Limited (“SGX-ST”) assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular.



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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

**THE PROPOSED ACQUISITION OF 100% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF
BTH HOLDINGS PTE. LTD. AS A MAJOR TRANSACTION UNDER CHAPTER 10 OF THE
LISTING MANUAL**

IMPORTANT DATES AND TIMES

Last date and time to pre-register to attend the VIS	:	5 April 2022 at 10:00 a.m.
Last date and time for submission of questions in advance of the VIS	:	5 April 2022 at 10:00 a.m.
Date and time of the VIS	:	8 April 2022 at 10:00 a.m.
Last date and time for lodgement of the Proxy Form	:	17 April 2022 at 10.00 a.m.
Last date and time to pre-register online to attend the EGM	:	17 April 2022 at 10.00 a.m.
Date and time of the EGM	:	19 April 2022 at 10.00 a.m.
Place of the EGM	:	By way of electronic means via https://conveneagm.com/sg/unionsteelegm

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DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires:

“AEPL”	:	Applied Engineering Pte Ltd
“Announcement”	:	The announcement by the Company dated 29 December 2021 relating to the Proposed Acquisition
“Announcement Date”	:	29 December 2021
“Board” or “Directors”	:	The directors of the Company as at the date of this Circular
“BTH”	:	BTH Holdings Pte. Ltd.
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 28 March 2022 issued by the Company
“Companies Act”	:	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
“Company”	:	Union Steel Holdings Limited
“Completion”	:	The completion of the Proposed Acquisition in accordance with the terms of the SPA
“EGM”	:	The extraordinary general meeting of Shareholders to be held on 19 April 2022 at 10.00 a.m., notice of which is set out on pages 20 to 24 of this Circular
“EPS”	:	Earnings per share
“Group”	:	The Company and its subsidiaries
“Latest Practicable Date”	:	25 March 2022, being the latest practicable date prior to the finalisation of this Circular
“Listing Manual”	:	The listing manual of the SGX-ST and its relevant rules, as amended, modified or supplemented from time to time
“Live Webcast”	:	Has the meaning given to it in paragraph 10 of this Circular
“Notice of EGM”	:	The notice of the EGM set out on pages 20 to 24 of this Circular
“NTA”	:	Net tangible assets
“Property”	:	Has the meaning given to it in paragraph 2.4 of this Circular

“Proposed Acquisition”	:	The proposed acquisition by the Company of the Sale Shares in accordance with the terms of the SPA
“Proxy Form”	:	The proxy form in respect of the EGM as attached to this Circular
“Purchase Price”	:	The aggregate consideration for the Sale Shares payable by the Company
“Registration Deadline”	:	Has the meaning given to it in paragraph 10(a) of this Circular
“Relevant Intermediary”	:	Has the meaning given to it in Section 181 of the Companies Act
“Rule 1006”	:	Rule 1006 of the Listing Manual
“Sale Shares”	:	3,100,000 issued and paid-up ordinary shares in the share capital of BTH, representing 100% of the total issued and paid-up ordinary shares in the capital of BTH
“Securities Account”	:	A securities account maintained by a Depositor with CDP (but does not include a securities sub-account maintained with a Depository Agent)
“SFA”	:	The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“SGXNET”	:	Singapore Exchange Network, the corporate announcement system maintained by the SGX-ST for the submission of information and announcements by listed companies
“Shareholders”	:	The registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with those Shares
“Shares”	:	Ordinary shares in the issued share capital of the Company
“SPA”	:	The sale and purchase agreement dated 29 December 2021 relating to the Proposed Acquisition, entered into between the Company and the Vendor
“SRS”	:	Supplementary Retirement Scheme
“Summary Valuation Letter”	:	A summary of the Valuation Report set out in Appendix B to this Circular

“Target Group”	:	BTH and AEPL collectively
“USHL EGM Website”	:	Has the meaning given to it in paragraph 10(a) of this Circular
“Valuation Report”	:	Valuation report dated 9 November 2021 issued by GB Global Pte Ltd in relation to the valuation of the Property for the purpose of the Proposed Acquisition
“Valuer”	:	GB Global Pte Ltd, the independent valuer commissioned by the Company to issue the Valuation Report
“Vendor”	:	New Oasis Pte. Ltd.
“VIS”	:	Has the meaning given to it in paragraph 10(b) of this Circular
“VIS Live Webcast”	:	Has the meaning given to it in paragraph 10(b) of this Circular
“VIS Registration Deadline”	:	Has the meaning given to it in paragraph 10(b) of this Circular
“VIS Questions Deadline”	:	Has the meaning given to it in paragraph 10(c) of this Circular
“%” or “per cent.”	:	Percentage or per centum
“S\$”	:	Singapore dollars, being the lawful currency of Singapore

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

The term **“controlling shareholders”** shall have the meaning ascribed to it in the Listing Manual.

The term **“subsidiary”** shall have the same meaning ascribed to it in Section 5 of the Companies Act. Except where specifically defined, the terms **“we”**, **“us”** and **“our”** in this Circular refer to the Group.

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 gender and *vice versa*. References to persons shall, where applicable, include corporations.

Any discrepancies in tables included herein between the amounts in the columns of the tables 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 that precede them.

Any reference in this Circular to any enactment is a reference to that statute or enactment for the time being amended or re-enacted up to the Latest Practicable Date. Any term defined under the Companies Act, the SFA or the Listing Manual or any statutory modification thereof and used in this Circular shall,

where applicable, have the meaning assigned to it under the Companies Act, the SFA or the Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided.

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

As at the Latest Practicable Date, there are 39,378,100 issued Shares of the Company (excluding treasury shares). The Company does not hold any treasury shares.

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LETTER TO SHAREHOLDERS

UNION STEEL HOLDINGS LIMITED

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

Registered Office:

33 Pioneer Road North
Singapore 628474

Mr Ang Yu Seng (Executive Chairman and Chief Executive Officer)
Mr Ang Yew Chye (Executive Director)
Mr Siau Kai Bing (Lead Independent Director)
Mr Wong Loke Tan (Independent Director)
Ms Tan Min-Li (Independent Director)
Mr Goi Kok Ming (Non-Executive Director)

Date: 28 March 2022

To: The Shareholders of Union Steel Holdings Limited

Dear Sir/Madam

THE PROPOSED ACQUISITION OF 100% OF THE TOTAL ISSUED AND PAID-UP SHARE CAPITAL OF BTH

1. INTRODUCTION

1.1 Proposed Acquisition

Pursuant to the Announcement, the Board announced that the Company had, on the Announcement Date, entered into the SPA with the Vendor in relation to the proposed acquisition by the Company of 3,100,000 issued and paid-up ordinary shares in the share capital of BTH, representing 100% of the total issued and paid-up ordinary shares in the capital of BTH (the “**Sale Shares**”) in accordance with the terms of the SPA (the “**Proposed Acquisition**”).

1.2 Circular

As the relative figure for the Proposed Acquisition computed under Rule 1006(c) exceeds 20%, the Proposed Acquisition is considered a “major transaction” under Chapter 10 of the Listing Manual. Accordingly, the Proposed Acquisition is subject to Shareholders’ approval.

The purpose of this Circular is to provide Shareholders with relevant information relating to the Proposed Acquisition, and to seek Shareholders’ approval for the Proposed Acquisition by way of an ordinary resolution at the EGM to be convened, the notice of which is set out on pages 20 to 24 of this Circular.

1.3 Legal Adviser

The Company has appointed Drew & Napier LLC as the legal adviser to the Company in relation to the Proposed Acquisition.

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2. THE PROPOSED ACQUISITION AS A MAJOR TRANSACTION

2.1 Information on the Target Group

BTH is a private company incorporated in Singapore on 30 November 2018 with its registered office at 106 International Road, Singapore 629175. As at the Announcement Date, BTH had an issued and paid-up share capital of S\$3,100,000, comprising 3,100,000 ordinary shares. BTH holds 100% of the issued and paid-up share capital of AEPL. BTH functions only as a holding company of AEPL, and is not separately involved in any businesses.

AEPL is in various businesses catering to the offshore oil and petroleum industries. These businesses include the installation of industrial machinery and equipment, manufacture of pressure vessels, heat exchangers and plant and metal fabrication.

AEPL, the sole and wholly owned subsidiary of BTH, manufactures process equipment such as pressure vessels and heat exchangers for chemical, petrochemical, marine and energy related industries. Apart from the fabrication of the above equipment, AEPL also fabricates and assembles process skid integrated with equipment, vessels and piping for onshore and offshore clients.

AEPL operates on an area of 18,500 m² with a 6,000 m² covered workshop and a separate 1,200 m² stainless steel workshop equipped with a class 10K clean room for the fabrication of exotic materials.

AEPL is certified by the ISO 9001 Quality Management System. In addition, AEPL's product quality is assured by the quality control system certified by the American Society of Mechanical Engineers (ASME), with Product Certification Stamp 'U', 'U2', 'R' & 'S' since 1983.

As the Company and the Vendor are in a similar industry, the Company had approached the management of the Target Group directly to negotiate the Proposed Transaction.

2.2 Information on the Vendor

The Vendor is a private company incorporated in Singapore and is in the business of providing marine support services. The Vendor is an independent third party and is not related to the Company, the Group, the Directors or the controlling shareholders of the Company.

The Vendor is the sole legal and beneficial owner of the entire issued and paid-up share capital of BTH comprising 3,100,000 ordinary shares.

The Vendor was wholly-owned by Mr Balasubramanian Murugesan up to 2 January 2022, who was also the sole director of the Vendor up to 16 January 2022. The entire issued share capital of the Vendor has been transferred from Mr Balasubramanian Murugesan to Mr Chiang Tin Tiah and with effect from 3 January 2022, Mr Chiang Tin Tiah is the sole shareholder of the Vendor.

Mr Balasubramanian Murugesan remains a director of the Vendor. The other director of the Vendor is Ms Ng Siew Lin, who joined the board of the Vendor with effect from 17 January 2022.

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2.3 Value of the Sale Shares

Based on the latest consolidated audited financial statements of the Target Group for the financial year ended 31 March 2021:

- (a) the aggregate book value of the Sale Shares is approximately S\$5,444,000; and
- (b) the aggregate net tangible assets value attributable to the Sale Shares is approximately S\$5,444,000.

The open market value of the Sale Shares is not available as the Sale Shares are not listed or traded on any securities exchange.

The key financial information of the Target Group is set out in **Appendix A** to this Circular.

2.4 Target Group's Assets and Liabilities

The Target Group's main asset is AEPL's industrial property situated at Private Lot No. 6974 forming part of Government Survey Lot No. 00877A of Mukim 7 located at 46 Tuas Road, Singapore 638499 (the "**Property**").

The remaining assets include mainly non-current assets such as the plant and machinery, and current assets such as trade and other receivables derived from business operations.

The main liabilities of the Target Group include the trade and other payables from its business operations.

As the Proposed Acquisition is in respect of shares, based on Chapter 10 of the Listing Manual, the Company is not required to conduct a valuation of the Property. Nevertheless, as the Property is regarded as a material asset of the Target Group, out of prudence, the Company had appointed an independent valuer, GB Global Pte Ltd, to conduct a valuation of the Property.

Based on the Valuation Report issued by the Valuer, the valuation of the Property has been performed in accordance with the SISV Valuation Standards and Practice Guidelines (2018). The Valuer had conducted the valuation on the Property by using the income capitalisation method and the direct comparison method and based on the valuation of the Valuer, the market value of the Property as of 9 November 2021 is S\$20 million.

The Summary Valuation Letter is set out in the **Appendix B** to this Circular.

2.5 Purchase Price

The Purchase Price for the Proposed Acquisition is S\$16,000,000, which was arrived at pursuant to arm's length negotiations between the Vendor and the Company on a willing buyer willing seller basis, after taking into account prevailing market conditions, the value of the Sale Shares and the Property as disclosed in paragraphs 2.3 and 2.4 above and the rationale for the Proposed Acquisition as disclosed in paragraph 4 below.

The Purchase Price has been or shall be paid or satisfied as follows:

- (a) as announced by the Company on 31 August 2021, S\$1,700,000 has already been paid to the Vendor by the Company upon the signing of the non-binding term sheet entered into between the Company and the Vendor in relation to the Proposed Acquisition; and

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- (b) S\$14,300,000 (being the remainder of the Purchase Price after deducting S\$1,700,000) shall be paid to the Vendor in cash on Completion.

If Completion does not take place in accordance with the terms of the SPA, any amount of the Purchase Price paid by the Company to the Vendor pursuant to the SPA shall be refunded in full by the Vendor to the Company, as soon as reasonably practicable, and, in any event, within seven (7) days from the receipt by the Vendor of a written notice from the Company to the Vendor requesting for such refund.

The Purchase Price is intended to be funded by internal resources and bank borrowings.

2.6 **Conditions Precedent to the SPA**

Completion is conditional upon satisfaction of certain conditions which include, amongst others, the following conditions:

- (a) the approval by the Shareholders at an extraordinary general meeting to be held by the Company (or at any adjournment of such meeting), for the transactions contemplated by the SPA;
- (b) the Company having obtained or secured sufficient financing and/or loan facilities from such third party lender(s) necessary for the purposes of funding the purchase of the Sale Shares on terms satisfactory to the Company, and such financing and/or loan facilities not having been withdrawn or revoked;
- (c) no material adverse change (as determined by the Company) in the turnover, profitability, financial or trading position or prospects of BTH or AEPL having occurred between the date of the SPA and Completion; and
- (d) the business, financial, tax, accounting and legal due diligence conducted by the Company on the Target Group in connection with the transactions contemplated by the SPA, having been completed to the Company's satisfaction and the results of which are satisfactory to the Company.

2.7 **Other Salient Terms of the SPA**

The Sale Shares will be transferred to the Company free from all encumbrances and together with all rights and advantages attaching to them as at Completion (including the right to receive all dividends or distributions declared, made or paid on or after Completion) in accordance with the terms of the SPA. The Company shall not be obliged to complete the purchase of any of the Sale Shares unless the purchase of all the Sale Shares is completed concurrently.

The SPA contains customary representations and warranties for transactions of this nature as agreed between the parties, including but not limited to the power and authority of the parties to enter into the transactions contemplated under the SPA, title to the Sale Shares, title to real property and there being no litigation against the Target Group.

In addition, the Vendor has undertaken to procure that the Target Group does not undertake certain actions pending Completion without the prior written consent of the Company, including the declaration or payment of any dividend or other distribution, the incurrence of additional

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borrowings or any other indebtedness, and the creation, allotment or issuance of any share capital.

3. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

3.1 Illustrative Nature of Financial Effects

The financial effects of the Proposed Acquisition on the NTA per Share and EPS of the Company have been prepared based on the Group's audited financial statements for the financial year ended 30 June 2021, being the most recently completed financial year for which audited financial statements of the Company are available as at the Latest Practicable Date. The financial effects below are purely for illustrative purposes and are therefore not necessarily indicative of the actual financial position of the Group following the Completion.

3.2 NTA

Assuming that the Proposed Acquisition had been effected on 30 June 2021 (being the end of the most recently completed financial year ended 30 June 2021), the effects on the NTA per Share would be as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA (S\$)	56,191,000	55,941,000 ⁽¹⁾
Number of Shares	39,378,100	39,378,100
NTA per Share (cents)	142.70	142.06

Note:

- (1) The difference between the NTA before the Proposed Acquisition and the NTA after the Proposed Acquisition of S\$250,000 was mainly due to the professional fees and related expenses of S\$250,000 incurred in respect of the Proposed Acquisition.

3.3 EPS

Assuming that the Proposed Acquisition had been effected on 1 July 2020 (being the beginning of the most recently completed financial year ended 30 June 2021), 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 Shareholders (S\$)	7,613,000	7,831,000 ⁽¹⁾⁽²⁾
Weighted average number of Shares - Basic	39,378,100	39,378,100
EPS (cents) - Basic	19.33	19.89

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Notes:

- (1) For purposes of comparison, the profit attributable to Shares after the Proposed Acquisition takes into account the projected profit for the Target Group after the Proposed Acquisition, for the period from 1 July 2020 to 30 June 2021, notwithstanding that the latest financial year end of the Target Group is 31 March 2021.
- (2) The difference between the profit attributable to Shareholders before the Proposed Acquisition and after the Proposed Acquisition of S\$218,000 was mainly due to the net profit from the Proposed Acquisition of S\$718,000 netting off S\$500,000, being the sum of the accrued interests on the acquisition loan and the professional fees and related expenses incurred in respect of the Proposed Acquisition.

3.4 Profit/loss on the Proposed Acquisition

Based on the foregoing, the net profit after tax attributable to the Sale Shares (calculated based on the Target Group's audited results for the financial year ended 31 March 2021 and unaudited results for the five months ended 31 August 2021) is S\$447,000 and approximately S\$552,000, respectively.

4. RATIONALE FOR THE PROPOSED ACQUISITION

The Board believes that the Proposed Acquisition represents an attractive investment opportunity which will diversify its revenue streams. The Proposed Acquisition is in line with the Group's expansion plans into complementary business areas within the marine, offshore and oil & gas industries through strengthening its engineering and manufacturing capabilities. The Board further believes that an acquisition of the entire issued and paid-up share capital of the Target Company allows the Company to have full business ownership control through the ease of implementation of future business plan.

The Board further believes that this will help the Group strengthen its competitive advantage, value proposition and provide a holistic engineering solution to existing customers, eventually gaining access to new markets, customers and business opportunities.

5. CHAPTER 10 OF THE LISTING MANUAL

5.1 Relative Figures

The relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Listing Manual and based on the Group's latest announced consolidated financial statement, being the financial statements for the most recently completed financial year ended 30 June 2021, 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	Not applicable ⁽²⁾
(b)	Net profits attributable to the assets acquired or disposed of, compared with the Group's net profits	8.15% ⁽³⁾
(c)	Aggregate value of the Purchase Price given compared with the Company's market capitalisation of approximately S\$23,430,000 based on the total number of issued shares in	68.29% ⁽⁴⁾

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	the Company, excluding treasury shares	
(d)	Number of equity securities issued by the Company as consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽⁵⁾
(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 ⁽⁶⁾

Notes:

- (1) Percentage figures are rounded to the nearest two (2) decimal places.
- (2) This basis is not applicable, as the Proposed Acquisition is in relation to the acquisition (and not a disposal) of assets.
- (3) For this purpose, “**net profit**” is defined as profit including discontinued operations that have not been disposed and before income tax and non-controlling interests as taken from the latest announced consolidated accounts of the Group. The Group's and BTH's net profits of approximately S\$9,456,000 and S\$771,000 respectively, are based on the Group's audited financial statements for the financial year ended 30 June 2021 (being the latest announced consolidated accounts of the Group) and the proforma unaudited financial statements of BTH for the twelve-month period from 1 July 2020 to 30 June 2021, respectively.

The relative figure is determined by dividing the net profit of BTH for twelve-month period from 1 July 2020 to 30 June 2021 by the net profit of the Group for the financial year ended 30 June 2021.

- (4) “**market capitalisation**” is calculated by multiplying the number of issued shares in the capital of the Company (excluding treasury shares), being 39,378,100 issued Shares, by the volume weighted average market price of S\$0.595 per Share as at 28 December 2021, being the market day immediately preceding the date of the SPA.
- (5) This basis is not applicable, as there will be no issuance of equity securities by the Company as consideration for the Proposed Acquisition.
- (6) This basis is not applicable as the Proposed Acquisition does not involve a disposal of mineral, oil and gas assets by a mineral, oil and gas company.

5.2 Shareholders' Approval Required

Based on the above, the Proposed Acquisition constitutes a “major transaction” for the purposes of Chapter 10 of the Listing Manual. Accordingly, the approval of shareholders of the Company is required in respect of the Proposed Acquisition.

6. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

- 6.1 The interests of the Directors in the Shares as recorded in the Register of Directors' Shareholdings as at the Latest Practicable Date, are as follows:

Directors	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Mr Ang Yu Seng	13,724,840	34.85	-	-
Mr Ang Yew Chye	4,081,043	10.36	-	-
Mr Siau Kai Bing	12,000	0.03	-	-

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Mr Wong Loke Tan	-	-	-	-
Ms Tan Min-Li	-	-	-	-
Mr Goi Kok Ming	-	-	-	-

Note:

(1) Percentage interests have been calculated based on total share capital issued capital of 39,378,100 Shares as at the Latest Practicable Date and are rounded to the nearest two (2) decimal places.

6.2 The interests of the controlling shareholders of the Company in the Shares as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date, are as follows:

Controlling Shareholders	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Ang Yu Seng	13,724,840	34.85	-	-
Goi Seng Hui	8,584,000	21.80	-	-
Ang Yew Chye	4,081,043	10.36	-	-

Note:

(1) Percentage interests have been calculated based on total share capital issued capital of 39,378,100 Shares as at the Latest Practicable Date and are rounded to the nearest two (2) decimal places.

6.3 None of the Directors or the controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, otherwise than through their respective shareholdings (if any) in the Company.

7. DIRECTORS' SERVICE CONTRACTS

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

8. DIRECTORS' RECOMMENDATIONS

Having considered the terms and rationale of the Proposed Acquisition and the financial effects thereof, the Directors are of the view that the Proposed Acquisition is in the best interests of the Company and accordingly, recommend that the Shareholders vote in favour of the ordinary resolution in respect of the Proposed Acquisition as set out in the Notice of EGM on pages 20 to 24 of this Circular, at the EGM.

9. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 20 to 24 of this Circular, will be held by way of electronic means on Tuesday, 19 April 2022 at 10.00 a.m. for the purpose of considering and, if thought fit, passing, with or without modifications the ordinary resolution in respect of the Proposed Acquisition as set out in the Notice of EGM on pages 20 to 24 of this Circular.

10. ACTIONS TO BE TAKEN BY SHAREHOLDERS

In view of the uncertainty and potential health risks associated with large gatherings during the COVID-19 pandemic, Shareholders will NOT be able to attend the EGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the

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EGM through a “live” webcast or “live” audio feed (“**Live Webcast**”) pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

(a) Participation in the EGM via the Live Webcast

Shareholders must pre-register at the pre-registration website at the URL: <https://conveneagm.com/sg/unionsteelegm> (“**USHL EGM Website**”) from the date of this Circular till 17 April 2022 at 10:00 a.m. (“**Registration Deadline**”) to enable the Company to verify their status as Shareholders.

Following authentication of his/her/its status as a Shareholder, such Shareholder will receive an email confirming the authentication of his/her/its status and will be able to access the Live Webcast using the account created.

Shareholders who have registered by the Registration Deadline in accordance with this paragraph 10(a) but do not receive an email response by 12:00 p.m. on 18 April 2022 may contact the Company for assistance at the following email address: corporate@unionsteel.com.sg, with the following details included: (1) the Shareholder’s full name; and (2) his/her/its identification/registration number.

Shareholders must not forward the abovementioned email instructions to other persons who are not Shareholders and who are not entitled to attend the EGM. This is also to avoid any technical disruptions or overload to the Live Webcast.

Non-SRS holders whose Shares are registered under Depository Agents must contact their respective Depository Agents to indicate their interest in order for their respective Depository Agents to make the necessary arrangements for them to participate in the Live Webcast of the EGM proceedings.

(b) Virtual Information Session (“VIS”)

A VIS will be held for Shareholders prior to the EGM, at 10:00 a.m. on 8 April 2022 where the Company will address all substantial and relevant questions received by the VIS Questions Deadline from Shareholders in relation to the ordinary resolution to approve the Proposed Acquisition as set out in the Notice of EGM. Shareholders will also be able to ask questions “live” during the VIS.

Shareholders who wish to participate in the VIS through a “live” webcast (“**VIS Live Webcast**”) comprising both video (audiovisual) and audio feeds must pre-register no later than 10:00 a.m. on 5 April 2022 (“**VIS Registration Deadline**”). Shareholders can pre-register for the VIS at the USHL EGM Website. As the VIS is being held only for Shareholders, it is compulsory for Shareholders to pre-register for the VIS to enable the Company to verify their status as Shareholders. Any registration received after the VIS Registration Deadline will not be accepted.

Following authentication of his/her/its status as a Shareholder, such Shareholder will receive an email confirming the authentication of his/her/its status and will be able to access the VIS Live Webcast using the account created.

Shareholders who have registered by the Registration Deadline in accordance with paragraph 2 above but do not receive an email response by 12:00 p.m. on 7 April 2022

LETTER TO SHAREHOLDERS

may contact the Company for assistance at the following email address: corporate@unionsteel.com.sg, with the following details included: (1) the Shareholder's full name; and (2) his/her/its identification/registration number.

Shareholders must not forward the abovementioned email instructions to other persons who are not Shareholders and who are not entitled to attend the VIS Live Webcast. This is also to avoid any technical disruptions or overload to the VIS Live Webcast.

The Company will publish the minutes, or provide a link for Shareholders to access a recording of the VIS, by 13 April 2022 on SGXNET at the URL <https://www.sgx.com/securities/company-announcements> or the Company's website at <https://www.unionsteel.com.sg/> (being not less than seventy-two (72) hours before the closing date and time for the lodgment of the Proxy Form).

(c) Submitting questions in advance for the VIS or asking questions "live" at the VIS

Shareholders will NOT be able to ask questions during the Live Webcast of the EGM proceedings to avoid any technical disruption and interference to the Live Webcast. However, Shareholders may ask questions related to the ordinary resolution to be tabled for approval at the EGM during the VIS to be held prior to the EGM or by submitting the questions in advance of the VIS. Therefore, it is important for Shareholders to submit their questions in advance of the VIS or participate in the VIS to ask their questions.

All questions must be submitted by no later than 10:00 a.m. on 5 April 2022 (the "**VIS Questions Deadline**") to the Company:

- (a) via the USHL EGM Website;
- (b) in physical copy by depositing the same at the Company's registered office at 33 Pioneer Road North, Singapore 628474; or
- (c) by email to corporate@unionsteel.com.sg.

The Company will address all substantial and relevant questions related to the ordinary resolution to be tabled for approval at the EGM received by the VIS Questions Deadline during the VIS, and will also publish the minutes, or provide a link for Shareholders and investors to access a recording of the VIS, by 13 April 2022 on SGXNET at the URL <https://www.sgx.com/securities/company-announcements> or the Company's website at <https://www.unionsteel.com.sg/>.

For verification purposes, when submitting the questions via email or post, Shareholders MUST provide the Company with their particulars (comprising full name (for individuals)/company name (for corporates), email address, contact number, NRIC/passport number / company registration number, shareholding type and number of Shares held).

(d) Voting by Proxy

Shareholders may only exercise their voting rights at the EGM via proxy voting. The accompanying Proxy Form for the EGM may be accessed via the USHL EGM Website, the Company's corporate website <https://www.unionsteel.com.sg/>, and will also be

LETTER TO SHAREHOLDERS

made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

Shareholders (including Relevant Intermediaries) who wish to vote on any or all of the resolutions at the EGM must submit a Proxy Form to appoint the Chairman of the EGM as their proxy to do so on their behalf.

The instrument appointing the Chairman of the EGM as proxy must be submitted to the Company in the following manner:

- (a) in the electronic format accessible on the USHL EGM Website;
- (b) if submitted by post, be lodged at the office of the Company's registered office at 33 Pioneer Road North, Singapore 628474; or
- (c) if submitted electronically, be submitted via email to corporate@unionsteel.com.sg,

in either case **by no later than 10.00 a.m. on 17 April 2022, being 48 hours before the time appointed for the EGM.**

In the case of submission of the Proxy Form other than via the USHL EGM Website, a Shareholder who wishes to submit an instrument of proxy must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures, which may make it difficult for Shareholders to submit completed Proxy Forms by post, Shareholders are strongly encouraged to submit completed Proxy Forms electronically via email.

In the case of submission of the Proxy Form other than via the USHL EGM Website, the instrument appointing the Chairman of the EGM as proxy must be under the hand of the appointor or on his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the EGM as proxy is executed by a corporation, it must be executed either under its common seal or signed on its behalf by its attorney duly authorised in writing or by an authorised officer of the corporation, failing which the instrument of proxy may be treated as invalid.

An investor who holds Shares under the SRS and wishes to vote, should approach their respective SRS Operators to submit their votes to appoint the Chairman of the EGM as their proxy, at least 7 working days before the EGM.

A Depositor's name must appear on the Depository Register maintained by The Central Depositor (Pte) Limited as at 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to vote at the EGM.

Please note that Shareholders will not be able to vote through the Live Webcast and can only vote with their Proxy Forms which are required to be submitted in accordance with the foregoing paragraphs.

LETTER TO SHAREHOLDERS

11. 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 Acquisition and the Group, 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 this Circular in its proper form and context.

12. CONSENT

- 12.1 Drew & Napier LLC, as the legal adviser to the Company in relation to the Proposed Acquisition, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all the references thereto in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.
- 12.2 GB Global Pte Ltd, as the independent valuer of the Property, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all the references thereto in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the SPA and the Valuation Report issued by the Valuer as referred to in paragraph 2.4 above are available for inspection at the registered office of the Company at 33 Pioneer Road North, Singapore 628474, during normal business hours on any weekday from the date of this Circular up to and including the date of the EGM.

In light of the prevailing safe distancing measures due to the COVID-19 situation, Shareholders should provide their name, contact number, proposed date and time of inspection to Liu Wen Juan at 68619833 or corporate@unionsteel.com.sg at least three (3) working days in advance to make a prior appointment to attend at the registered office of the Company to inspect the documents.

Yours faithfully
For and behalf of
the Board of Directors of
Union Steel Holdings Limited

Ang Yu Seng
Executive Chairman and Chief Executive Officer

APPENDIX A – TARGET GROUP’S KEY FINANCIAL INFORMATION

1. Statement of Financial Position

Financial Position as at	31 March 2021	31 March 2021	31 August 2021	31 August 2021 ⁽²⁾
	AEPL Audited S\$'000	Target Group Unaudited ⁽¹⁾ consolidated S\$'000	AEPL Unaudited S\$'000	Target Group Unaudited consolidated S\$'000
Non-current assets				
Property, plant and equipment	6,916	6,916	7,145	7,145
Current assets				
Trade and other receivables	4,880	4,880	3,841	3,841
Contract assets & others	1,704	1,704	1,317	1,317
Inventories	263	263	263	263
Cash and bank balances	1,093	1,093	571	571
	7,940	7,940	5,992	5,992
Total assets	14,856	14,856	13,137	13,137
Equity				
Share capital	7,000	3,100	7,000	3,100
Retained earnings	(5,495)	(1,595)	(4,943)	(1,043)
Reserve	3,939	3,939	3,939	3,939
	5,444	5,444	5,996	5,996
Non-current liabilities				
Deferred taxation	964	964	976	976
Current liabilities				
Trade and other payables	4,826	4,826	3,451	3,451
Contract liabilities	1,342	1,342	1,447	1,447
Borrowings	1,823	1,823	1,003	1,003
Lease obligations	457	457	264	264
	8,448	8,448	6,165	6,165
Total equity and liabilities	14,856	14,856	13,137	13,137

APPENDIX A – TARGET GROUP’S KEY FINANCIAL INFORMATION

2. Income Statement

Income Statement	AEPL	Target Group	AEPL	Target Group
	Audited April 2020 to March 2021 S\$'000	Unaudited Consolidated April 2020 to March 2021 S\$'000	Audited April 2021 to August 2021 S\$'000	Unaudited Consolidated April 2021 to August 2021 S\$'000
Revenue	10,255	10,255	4,753	4,753
Cost of goods sold	(9,162)	(9,162)	(4,214)	(4,214)
Gross profit	1,093	1,093	539	539
Other income	1,110	1,110	654	654
Distribution and administrative expenses	(1,583)	(1,583)	(456)	(456)
Finance cost	(194)	(194)	(62)	(62)
Profit before income tax	426	426	675	675
Income tax	21	21	(123)	(123)
Profit after income tax	447	447	552	552

Notes:

- (1) Please note that while the latest financial year end of the Target Group is 31 March 2021, as part of the due diligence conducted on the Target Group prior to the execution of the SPA, the Company has received from the Target Group, audited financial statements of AEPL and unaudited financial statements of the Target Group for the period from 1 April 2021 to 31 August 2021. As such, the Company has included information from such financial statements for completeness.
- (2) Please note that as the Target has been a dormant private company from the time of its formation, it is exempt from audit requirements under the Companies Act. Accordingly, (a) the Target Group does not have audited financial statements; and (b) the financial statements of the Target Group are mainly based on, and similar to, the financial statements of AEPL.

APPENDIX B – SUMMARY VALUATION LETTER

4 March 2022

Union Steel Holdings Ltd
33 Pioneer Road North
Singapore 628474

Attention: Liu Wen Juan

Dear Madam,

MARKET VALUATION OF 46 TUAS ROAD SINGAPORE 638499 (“Property”)

GB Global Pte Ltd has received instruction from **Union Steel Holdings Ltd (“Company”)** to determine the market value of Property as of 9 November 2021 for intended purchase. This valuation letter is prepared for inclusion in the Company circular according to SGX regulations.

This valuation letter along with the certificate and the full valuation report are subjected to the Limiting Conditions enclosed at the end and should be read with the full valuation report, a copy of which is available for inspection.

GB Global Pte Ltd has performed the valuation according to the SISV Valuation Standards and Practice Guidelines (2018). Accordingly, we have carried out site inspection of the Property and have relied on the available data given by the Company in the assessment of the market value.

A summary of the Property is tabulated below:-

Address	46 Tuas Road Singapore 638499
Property Type	A single-user industrial development with waterfront access, consisting of a 2-storey ancillary block and 6 workshops
Age of Property	Circa 1990s
Land Area	18,548.6 square metres (199,655 square feet)
Land Area inclusive of Waterfront	34,658 square metres (373,055 square feet)
Floor Area	Approximately 12,638.3 square metres (136,037 square feet), subject to site survey
Approved Use	Manufacture of pressure vessels, heat exchangers and plant and metal fabrication for the offshore oil and petroleum industries only.

In arriving at the market value, direct comparison and income capitalisation methods are used with a 50% - 50% weightage.

In the direct comparison method, direct comparison is made with recent sale transactions of similar properties within District 22, with the necessary adjustments made for the differences in location, type, age, size, condition, dates of transaction and other factors affecting its market value to derive the Property's market value.

In the income capitalisation method, a capitalisation rate of 5.5% is adopted and applied to the net potential revenue that can be obtained by the Property. Detailed workings can be referred to in the full valuation report.

The market value of the Property is \$20 Million (Singapore Dollars) as of 9 November 2021. We have assumed that the waterfront land will be returned to JTC.

For and on behalf of
GB Global Pte Ltd



Yick E-Ling
Bsc (Real Est) Hons MSISV
Appraiser's License No. AD041-2009922C

Enclosure: Limiting Conditions

LIMITING CONDITIONS

The valuation letter, certificate and the full valuation report has been prepared subject to the following limiting conditions:-

1. The valuations are made on the basis of Market Value, defined by Singapore Institute of Surveyors and Valuers (SISV) as follows:

“Market Value is the estimated amount for which a property should exchange on the date of valuation between a willing buyer/lessor and a willing seller/lessee in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion.”

2. The full valuation report is restricted to the use of the Company or person(s) to whom the valuation report is specifically addressed to and for the specific purpose stated therein and to be used within a reasonable time. To the extent permitted by law, we disclaim any liability should it be used by other person(s) or for any other purpose(s) or beyond a reasonable time.
3. Save for the inclusion of the valuation letter and certificate in the Company circular and the inclusion of the full valuation report as a document for public inspection, neither the whole or any part of this valuation report or any reference to it may be included in any document, circular or statement or be published in any way without our prior written consent to the form and context in which it may appear. We shall bear no responsibility for any unauthorized inclusion or publication.
4. Where it is stated in the full valuation report that information has been supplied to the Valuer by another party or obtained by the Valuer from any enquiries, searches or investigations made from any government or statutory bodies, this information is believed to be reliable. The Valuer accepts no responsibility if this should prove not to be so.
5. Unless otherwise instructed, we do not normally carry out requisitions with the various public authorities to confirm that the property is not adversely affected by any public schemes. No requisition on road or drainage proposals has been made.
6. Unless expressly instructed, we do not carry out structural survey, nor do we test the building services. We will not be able to report that the building is free from rot, infestations or other hidden defects.
7. Our valuation assumes that as at the date of valuation, the property is free and clear of all mortgages, encumbrances and other outstanding premiums, charges and liabilities.
8. The title to the property is presumed to be good and marketable and, unless mentioned in this report, be free from any encumbrances, restrictions and other legal impediments. We accept no responsibility for investigations into title, searches and requisitions and other such legal matters.
9. Any sketch, plan or map in this report is for identification purposes only and should not be treated as certified copies of areas or other particulars contained therein.
10. The report was prepared on the basis that we are not required to give testimony or appear in court or any other tribunal or to any government agency by reason of this valuation letter, certificate or the valuation report or with reference to the property in question unless prior arrangements have been made and we be properly reimbursed.

NOTICE OF EXTRAORDINARY GENERAL MEETING

UNION STEEL HOLDINGS LIMITED

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“**EGM**”) of **UNION STEEL HOLDINGS LIMITED** (the “**Company**”) will be held by way of electronic means on Tuesday, 19 April 2022 at 10:00 a.m. for the purpose of considering, and if thought fit, passing, with or without modifications, the following resolution:

ORDINARY RESOLUTION: THE PROPOSED ACQUISITION OF 100% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF BTH HOLDINGS PTE. LTD.

RESOLVED THAT:

- (a) the proposed acquisition of 100% of the issued and paid-up capital of BTH Holdings Pte. Ltd. pursuant to the sale and purchase agreement (the “**SPA**”) entered into by the Company with New Oasis Pte. Ltd. on 29 December 2021 be and is hereby approved, confirmed and ratified (the “**Proposed Acquisition**”); and
- (b) any director of the Company (“**Director**”), or where required, any two Directors, be and is/are hereby authorised on behalf of the Company to perform all acts, matters or things (including executing all such documents and ancillary agreements and to make all such amendments thereto as may be required in connection with the Proposed Acquisition) deemed by him/her/them to be necessary, desirable, incidental to, ancillary to or expedient in connection with the Proposed Acquisition and/or the SPA.

By Order of the Board

Ang Yu Seng
Executive Chairman and Chief Executive Officer
28 March 2022

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

Pursuant to the COVID-19 (Temporary Measures) Act that was passed by Parliament on 7 April 2020 ("**Temporary Measures Act**") and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 issued by the Minister of Law on 13 April 2020 (as amended from time to time) ("**Meeting Orders**"), issuers are able to make alternative arrangements to hold general meetings where personal attendance is required under written law or legal instruments (such as a company's constitution). The Meeting Orders has been extended beyond 30 June 2021 and amendments to the Temporary Measures Act come into force on 29 September 2020. A joint statement was also issued on 13 April 2020, and subsequently updated on 27 April 2020, 1 October 2020 and 9 April 2021, by the Monetary Authority of Singapore, the Accounting and Corporate Regulatory Authority and the Singapore Exchange Regulation to provide guidance on the conduct of general meetings during the period when elevated safe distancing measures are in place. In view of these developments, general meetings can be held via electronic means, and are encouraged to do so, until it is revoked or amended by the Ministry of Law. This will help keep physical interactions and COVID-19 transmission risks to a minimum, which remain important in the long term, even as safe distancing regulations are gradually and cautiously relaxed. As such, the EGM will be held by electronic means and shareholders of the Company ("**Shareholders**") will NOT be allowed to attend the EGM in person. Printed copies of this Notice will not be sent to Shareholders. Instead, this Notice will be sent to Shareholders by electronic means via publication on the Company's corporate website <https://www.unionsteel.com.sg/> and the following URL: <https://conveneagm.com/sg/unionsteelegm>. This Notice will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

- (1) Alternative arrangements are instead put in place to allow Shareholders to participate in the EGM by:
 - (a) watching or listening to the EGM proceedings via a "live" webcast or "live" audio feed as set out below ("**Live Webcast**"). Shareholders who wish to participate as such will have to pre-register in the manner outlined in paragraphs 2 to 6 below;
 - (b) participation in the Virtual Information Session ("**VIS**"). Please refer to paragraphs 7 to 12 below for further details;
 - (c) submitting questions ahead of the VIS. Please refer to paragraphs 13 to 16 below for further details; and
 - (d) voting by proxy at the EGM. Please refer to paragraphs 17 to 23 below for further details.

Participation in the EGM via the Live Webcast

- (2) Shareholders must pre-register at the pre-registration website at the URL: <https://conveneegm.com/sg/unionsteelegm> ("**USHL EGM Website**") from the date of the Circular till 17 April 2022 at 10:00 a.m. ("**Registration Deadline**") to enable the Company to verify their status as Shareholders.
- (3) Following authentication of his/her/its status as a Shareholder, such Shareholder will receive an email confirming the authentication of his/her/its status and will be able to access the Live Webcast using the account created.
- (4) Shareholders who have registered by the Registration Deadline in accordance with paragraph 2 above but do not receive an email response by 12:00 p.m. on 18 April 2022 may contact the Company for assistance at the following email address: corporate@unionsteel.com.sg, with the following details included: (1) the Shareholder's full name; and (2) his/her/its identification/registration number.
- (5) Shareholders must not forward the abovementioned email instructions to other persons who are not Shareholders and who are not entitled to attend the EGM. This is also to avoid any technical disruptions or overload to the Live Webcast.

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (6) Non-SRS holders whose shares are registered under Depository Agents must contact their respective Depository Agents to indicate their interest in order for their respective Depository Agents to make the necessary arrangements for them to participate in the Live Webcast of the EGM proceedings.

Virtual Information Session (“VIS”)

- (7) A VIS will be held for Shareholders prior to the EGM, at 10:00 a.m. 8 April 2022 where the Company will address all substantial and relevant questions received by the VIS Questions Deadline from Shareholders in relation to the ordinary resolution to approve the Proposed Acquisition as set out in the Notice of EGM. Shareholders will also be able to ask questions “live” during the VIS.
- (8) Shareholders who wish to participate in the VIS through a “live” webcast (“**VIS Live Webcast**”) comprising both video (audiovisual) and audio feeds must pre-register no later than 10:00 a.m. on 5 April 2022 (“**VIS Registration Deadline**”). Shareholders can pre-register for the VIS at the USHL EGM Website. As the VIS is being held only for Shareholders, it is compulsory for Shareholders to pre-register for the VIS to enable the Company to verify their status as Shareholders. Any registration received after the VIS Registration Deadline will not be accepted.
- (9) Following authentication of his/her/its status as a Shareholder, such Shareholder will receive an email confirming the authentication of their his/her/its and will be able to access the VIS Live Webcast using the account created.
- (10) Shareholders who have registered by the Registration Deadline in accordance with paragraph 8 above but do not receive an email response by 12:00 p.m. on 7 April 2022 may contact the Company for assistance at the following email address: corporate@unionsteel.com.sg, with the following details included: (1) the Shareholder’s full name; and (2) his/her/its identification/registration number.
- (11) Shareholders must not forward the abovementioned email instructions to other persons who are not Shareholders and who are not entitled to attend the VIS Live Webcast. This is also to avoid any technical disruptions or overload to the VIS Live Webcast.
- (12) The Company will publish the minutes, or provide a link for Shareholders to access a recording of the VIS, by 13 April 2022 on SGXNET at the URL <https://www.sgx.com/securities/company-announcements> or the Company’s website at <https://www.unionsteel.com.sg/> (being not less than seventy-two (72) hours before the closing date and time for the lodgment of the Proxy Form).

Submitting questions in advance for the VIS or asking questions “live” at the VIS

- (13) Shareholders will NOT be able to ask questions during the Live Webcast of the EGM proceedings to avoid any technical disruption and interference to the Live Webcast. However, Shareholders may ask questions related to the ordinary resolution to be tabled for approval at the EGM during the VIS to be held prior to the EGM or by submitting the questions in advance of the VIS. Therefore, it is important for Shareholders to submit their questions in advance of the VIS or participate in the VIS to ask their questions.
- (14) All questions must be submitted by no later than 10:00 a.m. on 5 April 2022 (the “**VIS Questions Deadline**”) to the Company:
- (a) via the USHL EGM Website;
 - (b) in physical copy by depositing the same at the Company’s registered office at 33 Pioneer Road North, Singapore 628474; or
 - (c) by email to corporate@unionsteel.com.sg.

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (15) The Company will address all substantial and relevant questions related to the ordinary resolution to be tabled for approval at the EGM received by the VIS Questions Deadline during the VIS, and will also publish the minutes, or provide a link for Shareholders and investors to access a recording of the VIS, by 13 April 2022 on SGXNET at the URL <https://www.sgx.com/securities/company-announcements> or the Company's website at <https://www.unionsteel.com.sg/>.
- (16) For verification purposes, when submitting the questions via email or post, Shareholders MUST provide the Company with their particulars (comprising full name (for individuals)/company name (for corporates), email address, contact number, NRIC/passport number / company registration number, shareholding type and number of shares held).

Voting by Proxy

- (17) Shareholders may only exercise their voting rights at the EGM via proxy voting. The accompanying proxy form for the EGM (“**Proxy Form**”) may be accessed via the USHL EGM Website, the Company’s corporate website <https://www.unionsteel.com.sg/>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
- (18) Shareholders (including Relevant Intermediaries, as defined in Section 181 of the Companies Act 1967 of Singapore) who wish to vote on any or all of the resolutions at the EGM must submit a Proxy Form to appoint the Chairman of the EGM as their proxy to do so on their behalf.
- (19) The instrument appointing the Chairman of the EGM as proxy must be submitted to the Company in the following manner:
- (a) in the electronic format accessible on the USHL EGM Website;
 - (b) if submitted by post, be lodged at the office of the Company’s registered office at 33 Pioneer Road North, Singapore 628474; or
 - (c) if submitted electronically, be submitted via email to corporate@unionsteel.com.sg,

in either case **by no later than 10.00 a.m. on 17 April 2022, being 48 hours before the time appointed for the EGM.**

In the case of submission of the Proxy Form other than via the USHL EGM Website, a Shareholder who wishes to submit an instrument of proxy must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures, which may make it difficult for Shareholders to submit completed Proxy Forms by post, Shareholders are strongly encouraged to submit completed Proxy Forms electronically via email.

- (20) In the case of submission of the Proxy Form other than via the USHL EGM Website, the instrument appointing the Chairman of the EGM as proxy must be under the hand of the appointor or on his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the EGM as proxy is executed by a corporation, it must be executed either under its common seal or signed on its behalf by its attorney duly authorised in writing or by an authorised officer of the corporation, failing which the instrument of proxy may be treated as invalid.
- (21) An investor who holds shares under the Supplementary Retirement Scheme (“**SRS**”) and wishes to vote, should approach their respective SRS Operators to submit their votes to appoint the Chairman of the EGM as their proxy, at least 7 working days before the EGM.

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (22) A Depositor's name must appear on the Depository Register maintained by The Central Depositor (Pte) Limited as at 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to vote at the EGM.
- (23) **Please note that Shareholders will not be able to vote through the Live Webcast and can only vote with their Proxy Forms which are required to be submitted in accordance with the foregoing paragraphs.**

Personal Data Privacy:

Where a Shareholder submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a Shareholder (i) consents to the collection, use and disclosure of the Shareholder'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 EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (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 Shareholder discloses the personal data of the Shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the Shareholder 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 Shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Shareholder's breach of warranty.

UNION STEEL HOLDINGS LIMITED

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

IMPORTANT

1. The Extraordinary General Meeting ("EGM") is being convened by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of EGM will not be sent to Shareholders. Instead, the Notice of EGM will be sent to Shareholders by electronic means via publication on the Company's website at the URL <https://conveneagm.com/sg/unionsteelegm> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
2. Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions in advance of the EGM, addressing of substantial and relevant questions in advance of the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out in the Notice of EGM, the announcement by the Company dated 28 March 2022 and the Circular to Shareholders dated 28 March 2022 ("Circular"). The Circular may be accessed at the Company's website at the URL <https://conveneagm.com/sg/unionsteelegm> and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
3. As a precautionary measure due to the current COVID-19 situation in Singapore, a Shareholder will not be able to attend the EGM in person. A Shareholder of the Company (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such Shareholder wishes to exercise his/her/its voting rights at the EGM.
4. CPF and SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 10.00 a.m. on 17 April 2022.
5. By submitting an instrument appointing the Chairman of the EGM as proxy, the Shareholder accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 28 March 2022.
6. This Proxy Form is not valid for use by CPF and SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

EXTRAORDINARY GENERAL MEETING PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, _____ NRIC / Passport No. / Co. Reg. No. _____

of _____

being a shareholder/shareholders ("Shareholder(s)") of UNION STEEL HOLDINGS LIMITED ("Company"), hereby appoint the Chairman of the EGM as my/ our* proxy to attend, speak and vote for me/us* on my/our* behalf at the EGM of the Company to be held by **electronic means on Tuesday, 19 April 2022 at 10.00 a.m. (Singapore time)** and at any adjournment thereof in the following manner.

I/We* direct my/our* proxy to vote for or against, or to abstain from voting the resolution proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

Ordinary Resolution	For**	Against**	Abstain**
Proposed acquisition by the Company of 100% of the issued and paid-up share capital of BTH Holdings Pte. Ltd.			

***If you wish to exercise all your votes 'For' or 'Against' or 'Abstain', please tick (✓) within the box provided. Alternatively, please indicate the number of votes that you wish to vote for or against, and/or abstain from voting, for the resolution in the relevant box. If you mark the abstain box, you are directing your proxy not to vote on the resolution on a poll and your votes will not be counted in computing the required majority on a poll. If no specific direction as to voting is given in respect of a resolution, the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.*

Dated this _____ day of _____ 2022

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

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

* Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

Due to the fast-evolving COVID-19 situation in Singapore, the Company may be required to change its EGM arrangements at short notice. The Company is taking the relevant steps in accordance with the Part 4 of the COVID-19 (Temporary Measures) Act 2020.

1. Please insert the total number of shares in the issued share capital of the Company (“Shares”) held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 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. **In light of the current COVID-19 measures in Singapore, Shareholders will not be able to attend the EGM in person. A Shareholder (including a Relevant Intermediary) must appoint the Chairman of the EGM as his/her/its proxy to vote on his/her/its behalf at the EGM if such Shareholder wishes to exercise his/her/its voting rights at the EGM.**
3. The instrument appointing the Chairman of the EGM as proxy must be submitted to the Company in the following manner:
 - (a) via the following URL: <https://conveneagm.com/sq/unionsteelegm> (“USHL EGM Website”) in the electronic format accessible on the USHL EGM Website;
 - (b) if submitted by post, be lodged at the Company’s registered office at 33 Pioneer Road North, Singapore 628474; or
 - (c) if submitted electronically, be submitted via email to corporate@unionsteel.com.sg,

in either case **by no later than 10.00 a.m. on 17 April 2022, being 48 hours before the time appointed for the EGM.**

In the case of submission of the Proxy Form other than via the USHL EGM Website, a Shareholder who wishes to submit an instrument of proxy must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for Shareholders to submit completed Proxy Forms by post, Shareholders are strongly encouraged to submit completed Proxy Forms electronically via email.

4. In the case of submission of the Proxy Form other than via the USHL EGM Website, the instrument appointing the Chairman of the EGM as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the EGM as proxy is executed by a corporation, it must be executed either under its seal or signed on its behalf by an attorney duly authorised in writing or by an authorised officer of the corporation. Where the instrument appointing the Chairman of the EGM as proxy 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, failing which the instrument may be treated as invalid.
5. A corporation which is a Shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act 1967 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
6. An investor who holds shares under the Supplementary Retirement Scheme and wishes to vote, should approach their respective SRS Operators to submit their votes to appoint the Chairman of the EGM as their proxy, at least 7 working days before the EGM.

“**Relevant Intermediary**” has the same meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing the Chairman of the EGM as proxy 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 the Chairman of the EGM as proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the EGM as proxy lodged if the Shareholder, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, 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 Shareholder accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 28 March 2022.