

CIRCULAR DATED 15 JUNE 2016

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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 ordinary shares in the capital of Union Steel Holdings Limited. (the “**Company**”), you should immediately forward this Circular together with the Notice of Extraordinary General Meeting 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.

The Singapore Exchange Securities Trading Limited 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 TRANSVICTORY HOLDINGS PTE. LTD., STEADFAST OFFSHORE & MARINE PTE. LTD., AND TRANSVICTORY WINCH SYSTEM PTE. LTD. (THE “TRANSVICTORY GROUP”)

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	28 June 2016 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	30 June 2016 at 10.00 a.m.
Place of Extraordinary General Meeting	:	33 Pioneer Road North, Singapore 628474

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DEFINITIONS

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

“Act”	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
“Agreement”	:	The sale and purchase agreement dated 17 May 2016 entered into between the Company and the Vendors relating to the Proposed Acquisition
“Announcement”	:	The announcement by the Company dated 18 May 2016 relating to the Proposed Acquisition
“Announcement Date”	:	18 May 2016
“Board”	:	The board of Directors of the Company
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular dated 15 June 2016 issued by the Company
“Company”	:	Union Steel Holdings Limited
“Completion”	:	The completion of the Proposed Acquisition in accordance with the terms of the Agreement
“Completion Date”	:	The completion date of the Proposed Acquisition
“Consideration”	:	The aggregate consideration of S\$15,000,000 payable by the Company to the Vendors for the Sale Shares
“Directors”	:	The directors of the Company for the time being
“EGM”	:	Extraordinary general meeting
“EPS”	:	Earnings per share
“FY2015”	:	The financial year ended 30 June 2015
“Group”	:	The Company and its subsidiaries
“JTC”	:	JTC Corporation
“Listing Manual”	:	The listing manual of the SGX-ST
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“NAV”	:	Net asset value
“Notice of EGM”	:	The notice of the EGM set out on page 19 of this Circular
“NTA”	:	Net tangible assets, being net assets less intangible assets
“Proposed Acquisition”	:	The proposed acquisition by the Company of the Sale Shares in accordance with the terms of the Agreement
“Proposed Acquisition Resolution”	:	The ordinary resolution relating to the Proposed Acquisition in the Notice of EGM

DEFINITIONS

“Proxy Form”	:	The proxy form in respect of the EGM as set out in this Circular
“Rule 1006”	:	Rule 1006 of the Listing Manual
“Sale Shares”	:	The THPL Sale Shares and TWSPL Sale Shares collectively
“Securities Account”	:	A securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
“SGX-ST”	:	The Singapore Exchange Securities Trading Limited
“Shareholders”	:	The registered holders of the Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in the 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
“SOMPL”	:	Steadfast Offshore & Marine Pte. Ltd.
“THPL”	:	Transvictory Holdings Pte. Ltd.
“THPL Sale Shares”	:	4,000,000 ordinary shares in THPL representing its entire issued and paid up share capital
“Transvictory Group”	:	THPL, TWSPL and SOMPL collectively
“TWSPL”	:	Transvictory Winch System Pte. Ltd.
“TWSPL Sale Shares”	:	49,000 ordinary shares in TWSPL representing 49% of its entire issued and paid up share capital
“Vendors”	:	Lie Miao Khim, Chiang Meng Chuan and Ng Siew Lin
“S\$” and “cents”	:	Singapore dollars and cents respectively, being the lawful currency of Singapore
“%” or “per cent.”	:	Percentage or per centum

The terms “**Depositor**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore or any statutory modification thereof, as the case may be.

The term “**controlling shareholders**” shall have the meanings ascribed to them respectively in the Listing Manual.

The terms “**subsidiaries**” and “**relevant intermediary**” shall have the meanings ascribed to them respectively in the 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. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall, where applicable, include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

DEFINITIONS

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals 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 enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Act or any statutory modification thereof, as the case may be.

Any reference to a time of day and date in this Circular is made by reference to Singapore time and date unless otherwise stated.

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LETTER TO SHAREHOLDERS

UNION STEEL HOLDINGS LIMITED

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

Directors:

Mr. Ang Yu Seng (Executive Chairman and Chief Executive Officer)
Mr. Ang Yew Chye (Executive Director)
Mr. Siau Kai Bing (Lead Independent Director)
Ms. Tan Min-Li (Independent Director)
Mr. Chan Kok Poh (Independent Director)

Registered Office:

33 Pioneer Road North
Singapore 628474

Date: 15 June 2016

To: The Shareholders of Union Steel Holdings Limited

Dear Sir/Madam

THE PROPOSED ACQUISITION OF TRANSVICTORY HOLDINGS PTE. LTD., STEADFAST OFFSHORE & MARINE PTE. LTD. AND TRANSVICTORY WINCH SYSTEM PTE. LTD. (THE “TRANSVICTORY GROUP”)

1. INTRODUCTION

- 1.1 **Proposed Acquisition.** On the Announcement Date, the Board announced that the Company had, on 17 May 2016, entered into an Agreement with the Vendors to acquire 100% of the issued and paid up capital in THPL and 49% of the issued and paid up capital in TWSPL so as to acquire 100% of the Transvictory Group.
- 1.2 **Circular.** As the relative figures for the Proposed Acquisition computed under Rule 1006 exceed 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 at the EGM. The purpose of this Circular is to provide Shareholders with relevant information relating to the Proposed Acquisition and to seek Shareholders’ approval at the EGM for the Proposed Acquisition Resolution, to be proposed at the EGM, the notice of which is set out on page 19 of this Circular.

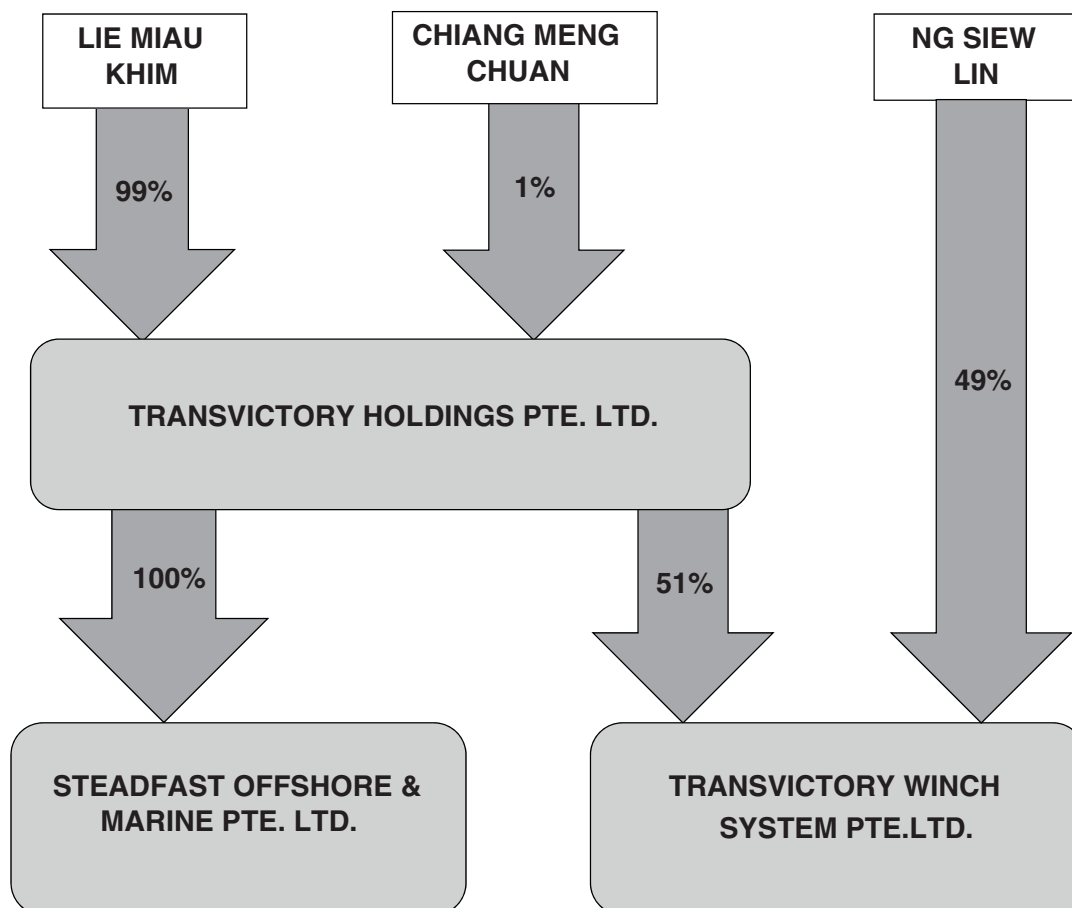
2. THE PROPOSED ACQUISITION AS A MAJOR TRANSACTION**2.1 Information on the Transvictory Group and the Vendors**

- 2.1.1 The Transvictory Group comprise THPL, TWSPL and SOMPL. The Transvictory Group is, collectively, in the business of providing products and engineering services to the offshore and marine industry, mainly involving winches, crane, and deck equipment in Singapore.

LETTER TO SHAREHOLDERS

2.1.2 Set out below is a corporate shareholding chart of the Transvictory Group.

CORPORATE STRUCTURE As at 31 Mar 2016



2.1.3 Information on each of these companies is set out below:-

(i) THPL

THPL is a company incorporated in Singapore on 26 June 1995 as an exempt private company limited by shares. Its principal activities are that of an investment holding company. As at the Announcement Date, THPL has an issued and paid-up share capital of S\$4,000,000 comprising 4,000,000 ordinary shares. The shareholding of THPL as at the Announcement Date is as follows:-

Shareholder	Number of shares	Shareholding Percentage
Lie Miao Khim	3,960,000	99%
Chiang Meng Chuan	40,000	1%

LETTER TO SHAREHOLDERS

(ii) TWSPL

TWSPL is a company incorporated in Singapore on 6 January 2011 as a private company limited by shares. Its principal activities are that of the manufacturing of winches and cranes. As at the Announcement Date, TWSPL has an issued and paid-up share capital of S\$100,000 comprising 100,000 ordinary shares. The shareholding of TWSPL as at the Announcement Date is as follows:-

Shareholder	Number of shares	Shareholding Percentage
THPL	51,000	51%
Ng Siew Lin	49,000	49%

(iii) SOMPL

SOMPL is a company incorporated in Singapore on 1 April 2009 as a private company limited by shares. Its principal activities are that of trading and providing engineering services to the vessels and shipyard, inclusive of providing installation service for TWSPL to its clients. As at the Announcement Date, SOMPL has an issued and paid-up share capital of S\$3,000,000 comprising 3,000,000 ordinary shares. The shareholding of SOMPL as at the Announcement Date is as follows:-

Shareholder	Number of shares	Shareholding Percentage
THPL	3,000,000	100%

Certain financial information on the Transvictory Group is set out in **Appendix A (Target Group Financials)** hereto. The Transvictory Group have not issued any guarantees for third parties.

2.2 Consideration for the Proposed Acquisition

2.2.1 The Consideration of the Proposed Acquisition is S\$15,000,000 which was arrived at on a willing-buyer, willing-seller basis, after taking into consideration:-

- (i) the earnings and growth prospects of the Transvictory Group having regard to its on-going and future projects; and
- (ii) the NAV as at 31 March 2016 of the Transvictory Group of S\$15,000,000 (based on its management accounts).

This NAV figure takes into account:-

- (a) the S\$8,000,000 value of THPL's property at 20 Third Chin Bee Road, Singapore 618693 (based on a valuation conducted in August 2015);
- (b) the value of the Transvictory Group's inventory; and
- (c) the cash of the Transvictory Group.

2.2.2 The Consideration is payable in the following manner:-

- (i) S\$1,960,000 was paid at signing of the Agreement (as a refundable deposit); and
- (ii) the balance sum of S\$13,040,000 will be paid on Completion.

LETTER TO SHAREHOLDERS

The Consideration will be allocated among the Vendors as follows:-

Vendor	Sale Shares	Consideration
Lie Miao Khim	3,960,000 THPL Sale Shares	S\$14,911,000
Chiang Meng Chuan	40,000 THPL Sale Shares	S\$40,000
Ng Siew Lin	49,000 TWSPL Sale Shares	S\$49,000
		<hr/> S\$15,000,000

2.2.3 The Consideration will be funded by the Company's internal financial resources and bank financing.

2.3 Conditions Precedent to the Agreement

Pursuant to the terms of the Agreement, the Proposed Acquisition is conditional upon, *inter alia*, the following conditions having been fulfilled (or waived):-

2.3.1 the Shareholders having approved the Proposed Acquisition at the EGM;

2.3.2 the Vendors' warranties set out in the Agreement being true, complete and accurate in all respects as at the Completion Date;

2.3.3 the approval from the bankers and hire purchase companies of the Transvictory Group for the change in shareholding (if applicable);

2.3.4 the approval of JTC for the change in shareholding of THPL in relation to the lease granted by JTC to THPL over 20 Third Chin Bee Road, Singapore 618693;

2.3.5 all existing shareholders' loans made by the Vendors and/or their related parties being forgiven; and

2.3.6 the issuance of a credit note for a trade payable of approximately S\$273,000 by a creditor of the Transvictory Group.

Save for the shareholders' loans referred to in Section 2.3.5 above, there are no other loans from the Vendors (or their related parties) to the Transvictory Group; or any loans from the Transvictory Group to the Vendors (or their related parties).

2.4 Other Salient Terms of the Agreement

2.4.1 The Vendors have provided certain representations and warranties to the Company in relation to the Transvictory Group, including in relation to taxation.

2.4.2 In addition, the Vendors have undertaken to ensure that the Transvictory Group does not undertake certain actions pending Completion, which include the declaration and distribution of dividends and the issuance of new shares.

2.4.3 The Sale Shares will be transferred to the Company free from all claims and encumbrances and with all rights, benefits and entitlements attaching thereto as at Completion.

LETTER TO SHAREHOLDERS

3. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

- 3.1 Based on the Consideration, the relative figures in relation to the Proposed Acquisition computed on the applicable bases set out in Rule 1006, based on the Group's (a) audited consolidated financial statements for FY2015 ("**FY2015 Accounts**"), being the latest announced audited consolidated financial statement of the Group as at the date of the Agreement, and (b) the Group's latest financial statements for its third quarter ended 31 March 2016 ("**3Q2016 Results**"), compared to the Transvictory Group's latest management accounts, are as follows:-

Rule	Comparison	Based on the FY2015 Accounts	Based on 3Q2016 Results
Rule 1006(a)	NAV of the Transvictory Group compared with the Group's NAV	Not applicable as this is an acquisition and not a disposal	Not applicable as this is an acquisition and not a disposal
Rule 1006(b)	Net profits attributable to the Transvictory Group compared with the Group's net profits	(12.72%) ⁽¹⁾	(14.36%) ⁽¹⁾
Rule 1006(c)	Consideration payable compared with the Company's market capitalisation ⁽²⁾	88.6%	88.6%
Rule 1006(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	Not applicable
Rule 1006(e)	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 as the Transvictory Group is not in mineral, oil and gas	Not applicable as the Transvictory Group is not in mineral, oil and gas

Notes:-

- (1) Both the Transvictory Group and the Group are loss-making. The loss attributable to the Transvictory Group is approximately S\$1,005,000 in the current financial period.
- (2) Based on the Company's market capitalisation of S\$16,932,583 computed as at the Announcement Date (on the bases of 39,378,100 issued shares in the capital of the Company and the weighted average price of S\$0.43 for the Company's shares on 9 May 2016 (being the last Market Day on which there was a trade in the Company's shares)).

- 3.2 The financial effects of the Proposed Acquisition 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 the Completion of the Proposed Acquisition. The financial effects of the Proposed Acquisition set out below have been prepared based on the Group's FY2015 Accounts.

3.2.1 Net Tangible Assets

The effect of the Proposed Acquisition on the audited consolidated NTA per share of the Group as at 30 June 2015, assuming that the Proposed Acquisition had been effected on 30 June 2015, are summarised below:-

	Before the Proposed Acquisition	After the Proposed Acquisition
Consolidated NTA ⁽¹⁾ (S\$'000)	80,629	80,629
Number of shares ('000)	39,378	39,378
Consolidated NTA per share (cents)	204.76	204.76

LETTER TO SHAREHOLDERS

Notes:

(1) NTA is computed based on total assets less total liabilities and intangible assets.

3.2.2 Earnings per Share

The effects of the Proposed Acquisition on the audited consolidated EPS of the Group for FY2015, assuming that the Proposed Acquisition had been effected at the beginning of FY2015, are summarised below:-

	Before the Proposed Acquisition	After the Proposed Acquisition
Profit (Loss) attributable to equity holders of the Company (S\$'000)	(8,411)	(9,416)
Weighted average number of Shares ('000)	39,378	39,378
Basic EPS (cents)	(21.36)	(23.91)

4. RATIONALE FOR THE PROPOSED ACQUISITION

The Proposed Acquisition is aligned with the Group's plans to diversify and expand into complimentary business areas within the mechanical engineering and manufacturing industry. The Board believes the Group will strengthen its competitive advantage and value proposition in the engineering and manufacturing industry. The Transvictory Group has established a good track record with the oil majors, drillers and vessel owners and will provide a good platform for the Group to access the international market, not limited to only the oil and gas industry.

5. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors and the controlling shareholders of the Company have any interest or are deemed to be interested in the Proposed Acquisition, or have any relationship with the Vendors.

6. DIRECTORS' SERVICE CONTRACTS

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

7. DIRECTORS' RECOMMENDATIONS

Having considered the terms of and the rationale for the Proposed Acquisition, the Directors are of the opinion that the Proposed Acquisition is in the best interest of the Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of the Proposed Acquisition Resolution set out in the Notice of EGM.

8. EXTRAORDINARY GENERAL MEETING

The EGM, the notice of which is given on page 19 of this Circular, will be held at 33 Pioneer Road North, Singapore 628474 on 30 June 2016 at 10.00 a.m., for the purpose of considering and, if thought fit, passing with or without any modifications, the Proposed Acquisition Resolution set out in the Notice of EGM.

LETTER TO SHAREHOLDERS

9. ACTIONS TO BE TAKEN BY SHAREHOLDERS

- 9.1 **Appointment of Proxies.** If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 33 Pioneer Road North, Singapore 628474 not later than 48 hours before the time appointed for the EGM. Completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM if he so wishes. An appointment of a proxy or proxies shall be deemed to be revoked if a Shareholder attends the EGM in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the EGM.
- 9.2 **When Depositor regarded as Shareholder.** A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the EGM.

10. RESPONSIBILITY STATEMENT BY THE DIRECTORS

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 this 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.

11. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 33 Pioneer Road North, Singapore 628474 during normal business hours from the date of this Circular up to and including the date of the EGM:-

- (a) the Agreement;
- (b) the Constitution of the Company; and
- (c) the Annual Report of the Company for FY2015.

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

Ang Yu Seng
Executive Chairman and Chief Executive Officer

APPENDIX A – TARGET GROUP FINANCIALS

TRANSVICTORY WINCH SYSTEM PTE.LTD.

PROFORMA STATEMENT OF COMPREHENSIVE INCOME FOR THE PAST THREE
FINANCIAL PERIODS

	Unaudited	Unaudited	Audited
	1/10/2014	1/10/2013	1/1/2013
	to	to	to
	30/9/2015	30/9/2014	30/9/2013
	S\$	S\$	S\$
Revenue	3,842,119	5,181,179	6,118,554
Cost of sales	(1,715,384)	(3,168,394)	(4,959,375)
Gross profit	2,126,735	2,012,785	1,159,179
Administrative expenses	(111,578)	(37,077)	(25,034)
Other operating expenses	(192,877)	(165,261)	(246,274)
Profit before taxation	1,822,280	1,810,447	887,871
Taxation	(263,777)	–	(51,203)
Profit after taxation	1,558,503	1,810,447	836,668
Other comprehensive income	–	–	–
Total comprehensive income for the financial year	1,558,503	1,810,447	836,668

APPENDIX A – TARGET GROUP FINANCIALS

TRANSVICTORY WINCH SYSTEM PTE.LTD.

PROFORMA STATEMENT OF FINANCIAL POSITION FOR THE PAST THREE FINANCIAL PERIODS

	Unaudited	Unaudited	Audited
	As At 30/9/2015 S\$	As At 30/9/2014 S\$	As At 30/9/2013 S\$
ASSETS			
Current assets			
Cash and cash equivalents	254,074	895,398	183,172
Trade and other receivables	2,767,454	3,230,267	4,417,885
Inventories	42,000	42,000	42,000
Amount due from related party	5,549,903	1,550,970	413,004
Tax payment in advance	612,350	540,751	–
Total current assets	9,225,781	6,259,386	5,056,061
Non-current assets			
Plant and equipment	60,387	96,874	112,202
Total assets	9,286,168	6,356,260	5,168,263
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	1,428,190	60,688	342,458
Amount due from related party	330,811	326,909	105,000
Income tax payable	–	–	550,132
Total current liabilities	1,759,001	387,597	997,590
Non-current liabilities			
Deferred tax liabilities	–	–	12,457
Capital and reserves			
Share capital	100,000	100,000	100,000
Retained earnings	7,427,167	5,868,663	4,058,216
Total equity	7,527,167	5,968,663	4,158,216
Total liabilities and equity	9,286,168	6,356,260	5,168,263

APPENDIX A – TARGET GROUP FINANCIALS

TRANSVICTORY HOLDINGS PTE.LTD.

PROFORMA STATEMENT OF COMPREHENSIVE INCOME FOR THE PAST THREE FINANCIAL PERIODS

	Unaudited 1/10/2014 to 30/9/2015 S\$	Unaudited 1/10/2013 to 30/9/2014 S\$	Audited 1/10/2012 to 30/9/2013 S\$
Revenue	1,521,856	4,147,714	6,781,945
Cost of sales	(1,769,637)	(3,432,440)	(5,609,398)
Gross profit	(247,781)	715,274	1,172,547
Other income	–	492,000	245,708
Administrative expenses	(24,128)	(50,792)	(49,300)
Other operating expenses	(212,827)	(1,193,421)	(1,118,780)
(Loss)/profit from operations	(484,736)	(36,939)	250,175
Finance cost	–	(3,076)	(2,217)
(Loss)/profit before taxation	(484,736)	(40,015)	247,958
Taxation	(23,647)	(12,312)	(149,764)
(Loss)/profit after taxation	(508,383)	(52,327)	98,194
Other comprehensive income	–	–	–
Total comprehensive income for the financial year	(508,383)	(52,327)	98,194

APPENDIX A – TARGET GROUP FINANCIALS

TRANSVICTORY HOLDINGS PTE.LTD.

PROFORMA STATEMENT OF FINANCIAL POSITION FOR THE PAST THREE FINANCIAL PERIODS

	Unaudited	Unaudited	Audited
	As At 30/9/2015 S\$	As At 30/9/2014 S\$	As At 30/9/2013 S\$
ASSETS			
Current assets			
Cash and cash equivalents	–	45,571	32,998
Trade and other receivables	1,855,496	1,236,961	105,308
Inventories	–	–	847,658
Amount due from related party	862,405	1,091,855	1,743,762
Tax payment in advance	51,617	87,051	–
Total current assets	2,769,518	2,461,438	2,729,726
Non-current assets			
Plant and equipment	2,470,761	1,060,005	1,519,561
Investment	3,051,000	3,051,000	3,051,000
Total non-current assets	5,521,761	4,111,005	4,570,561
Total assets	8,291,279	6,572,443	7,300,287
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	2,351,444	9,500	3,806,217
Bank overdraft	24,458	–	–
Amount due from related party	3,462,508	3,482,507	503,005
Hire purchase creditors	66,514	66,514	11,435
Income tax payable	107,488	160,158	198,626
Total current liabilities	6,012,412	3,718,679	4,519,283
Non-current liabilities			
Hire purchase creditors	68,338	134,852	9,022
Deferred tax liabilities	–	–	–
Total non-current liabilities	68,338	134,852	9,022
Capital and reserves			
Share capital	4,000,000	4,000,000	4,000,000
Revaluation reserve	2,800,000	2,800,000	2,800,000
Prior year adjustment	–	(743)	–
Retained earnings	(4,589,471)	(4,080,345)	(4,028,018)
Total equity	2,210,529	2,718,912	2,771,982
Total liabilities and equity	8,291,279	6,572,443	7,300,287

APPENDIX A – TARGET GROUP FINANCIALS

STEADFAST OFFSHORE & MARINE PTE. LTD.
(FORMERLY KNOWN AS OILFIELD MARITIME INTERNATIONAL PTE. LTD.)

PROFORMA STATEMENT OF COMPREHENSIVE INCOME FOR THE PAST THREE FINANCIAL PERIODS

	Unaudited 1/10/2014 to 30/9/2015 S\$	Unaudited 1/10/2013 to 30/9/2014 S\$	Audited 1/4/2013 to 30/9/2013 S\$
Revenue	1,111,008	2,454,171	2,889,167
Cost of sales	(696,412)	(1,462,391)	(1,886,115)
Gross profit	414,596	991,780	1,003,052
Other income	87,891	1,270,298	24,618
Administrative expenses	(96,443)	(77,273)	(102,234)
Other operating expenses	(1,393,949)	(1,815,454)	(914,201)
(Loss)/profit from operations	(987,905)	369,351	11,235
Finance cost	(541)	(2,699)	(4,781)
(Loss)/profit before taxation	(988,446)	366,652	6,454
Taxation	(13,035)	–	(2,404)
(Loss)/profit after taxation	(1,001,481)	366,652	4,050
Other comprehensive income	–	–	–
Total comprehensive income for the financial year	(1,001,481)	366,652	4,050

APPENDIX A – TARGET GROUP FINANCIALS

STEADFAST OFFSHORE & MARINE PTE. LTD.
(FORMERLY KNOWN AS OILFIELD MARITIME INTERNATIONAL PTE. LTD.)

PROFORMA STATEMENT OF FINANCIAL POSITION FOR THE PAST THREE FINANCIAL PERIODS

	Unaudited	Unaudited	Audited
	As At 30/9/2015 S\$	As At 30/9/2014 S\$	As At 30/9/2013 S\$
ASSETS			
Current assets			
Cash and cash equivalents	26,010	176,013	5,409
Trade and other receivables	1,758,286	381,054	249,486
Inventories	6,543,852	5,236,394	2,826,031
Amount due from related party	1,075,308	318,458	2,222,300
Tax payment in advance	12,085	22,003	–
Total current assets	9,415,541	6,133,922	5,303,226
Non-current assets			
Plant and equipment	411,103	340,119	1,122,487
Total assets	9,826,644	6,474,041	6,425,713
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	1,555,958	184,738	1,459,826
Bank overdraft	–	–	59,963
Amount due from related party	5,752,695	2,795,671	1,743,762
Hire purchase creditors	31,581	31,581	31,581
Income tax payable	–	–	2,404
Total current liabilities	7,340,234	3,011,990	3,297,536
Non-current liabilities			
Hire purchase creditors	65,570	39,730	72,508
Capital and reserves			
Share capital	3,000,000	3,000,000	3,000,000
Retained earnings	(579,160)	422,321	55,669
Total equity	2,420,840	3,422,321	3,055,669
Total liabilities and equity	9,826,644	6,474,041	6,425,713

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 at 33 Pioneer Road North, Singapore 628474 on 30 June 2016 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 TRANSVICTORY HOLDINGS PTE. LTD., STEADFAST OFFSHORE & MARINE PTE. LTD. AND TRANSVICTORY WINCH SYSTEM PTE. LTD. (THE “TRANSVICTORY GROUP”)

Resolved That:-

- (a) the proposed acquisition of 100% of the issued and paid up capital of Transvictory Holdings Pte. Ltd., and 49% of the issued and paid up capital of Transvictory Winch System Pte. Ltd. pursuant to the sale and purchase agreement (the “**Agreement**”) entered into by the Company with Lie Miao Khim, Chiang Meng Chuan and Ng Siew Lin on 17 May 2016 be and is hereby approved, confirmed and ratified (the “**Proposed Acquisition**”); and
- (b) the Directors of the Company and each of them be and is hereby authorised to complete and do all such acts and 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) as they or he may consider necessary, desirable or expedient or in the interests of the Company to give effect to this Ordinary Resolution and to the Agreement as they or he may deem fit.

By Order of the Board

Ang Yu Seng
Executive Chairman and Chief Executive Officer
15 June 2016

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1.
 - (a) A member of the Company (other than a member who is a relevant intermediary*) entitled to attend and vote at the EGM is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
 - (b) A member who is a relevant intermediary* (as defined in Section 181 of the Companies Act, Chapter 50) is entitled to appoint more than two proxies to attend and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
2. The instrument appointing a proxy must be lodged at the registered office of the Company at 33 Pioneer Road North, Singapore 628474 at least 48 hours before the time appointed for the EGM. The sending of a Proxy Form by a member does not preclude him from attending and voting in person at the EGM if he so wishes. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the EGM.
3. By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, or by attending the EGM, a member (a) consents to the collection, use and disclosure of the member'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, 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**"), (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member 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 (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. In addition, by attending the EGM and/or any adjournment thereof, a member consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for any of the Purposes.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

PROXY FORM

UNION STEEL HOLDINGS LIMITED

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

PROXY FORM EXTRAORDINARY GENERAL MEETING

IMPORTANT:

1. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the EGM.
2. 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.

*I/We, _____ (Name) _____ (NRIC/Passport Number)

of _____ (Address)

being a member/members of **UNION STEEL HOLDINGS LIMITED** (the "Company"), hereby appoint:

Name	NRIC/ Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/ Passport Number	Proportion of Shareholdings	
		No. of Shares	%
Address			

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Extraordinary General Meeting ("EGM") of the Company to be held at 33 Pioneer Road North, Singapore 628474, on 30 June 2016 at 10.00 a.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolution proposed at the EGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/her discretion, as he/they may on any other matter arising at the EGM and at any adjournment thereof.

	No. Of Votes For*	No. Of Votes Against*
Ordinary Resolution To approve the Proposed Acquisition		

*If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick [] within the relevant box. Alternatively, if you wish to exercise your votes for both "For" and "Against" the relevant resolution, please indicate the number of Shares in the boxes provided.

Dated this _____ day of _____ 2016

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

Signature of Member(s)/Common Seal of Corporate Member

* Delete where inapplicable

Important: Please read notes overleaf



PROXY FORM

NOTES:

1. A member of the Company (other than a relevant intermediary*) entitled to attend the EGM and vote is entitled to appoint not more than two proxies to attend and vote instead of him. A proxy need not be a member of the Company. The instrument appointing a proxy must be deposited at the registered office of the Company at 33 Pioneer Road North, Singapore 628474 not less than 48 hours before the time appointed for holding the EGM.
2. A member who is a relevant intermediary* (as defined in Section 181 of the Companies Act, Chapter 50) is entitled to appoint more than two proxies to attend and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.
3. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. Subject to note 9, completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under this instrument of proxy to the EGM.
5. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the number of shares entered against his name in the Depository Register and registered in his name in the Register of Members. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof (failing previous registration with the Company) must be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on and/or attached to the Proxy Form. In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject a Proxy Form if the member, 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.
9. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investors**") (as may be applicable) may attend and cast his vote(s) at the EGM in person. CPF and SRS Investors who are unable to attend the EGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the EGM.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, or by attending the EGM, a member (a) consents to the collection, use and disclosure of the member'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, 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**"), (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member 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 (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. In addition, by attending the EGM and/or any adjournment thereof, a member consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for any of the Purposes.