

UNION STEEL HOLDINGS LIMITED

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

TERMINATION OF THE PROPOSED ACQUISITION

All capitalised terms used and not defined herein shall have the same meanings given to them in the announcements dated 18 June 2013, 2 July 2013, 24 April 2014, 12 November 2014 and 7 January 2015 (the “Announcements”).

1. The board of directors (the “**Board**”) of Union Steel Holdings Limited (the “**Company**”) (and together with its subsidiaries, the “**Group**”) refers to the Announcements in respect the Proposed Acquisition of the Assets of the Vendor pursuant to the terms set out in the Assets Acquisition Agreement and individual Property SPAs.

Rule 1014(4) of the Listing Manual

Reasons for the termination of the Proposed Acquisition

2. The Company announced on 7 January 2015 that the High Court has dismissed the Company's application for validating the relevant agreements of the Proposed Acquisition. The Company has decided not to proceed with the appeal against the aforesaid decision of the High Court, as most of the Assets of the Vendor have now been subject to and are currently undergoing mortgagee sale. As such, even if the appeal was successful and the relevant acquisition agreements validated, there is no assurance that the Assets will be available for sale by then.
3. As previously disclosed, the Vendor has been wound up by its creditors in Malaysia and the Vendor was not successful in its attempt to stay the said winding up order. As such, the relevant agreements in connection with the Proposed Acquisition are invalid and of no force and effect under the laws of Malaysia.

Financial Impact of the termination

4. The non-completion of the Proposed Acquisition is not expected to have any material impact on the consolidated earnings per share and/or net tangible assets per share of the Company and its subsidiaries for the financial year ending 30 June 2016.

Possible course(s) of action to protect shareholders' interests

5. In view of the non-completion of the Proposed Acquisition, the Company has received a refund of the Earnest Deposit pursuant to the Heads of Terms.

The Company will also continue to seek growth organically and through potential merger and acquisition.

BY ORDER OF THE BOARD

Ang Yu Seng

Executive Chairman and Chief Executive Officer

8 September 2015