



UNION STEEL HOLDINGS LIMITED
友联钢铁控股有限公司

UNION STEEL HOLDINGS LIMITED

1Q 2014 RESULTS

13 NOVEMBER 2013



About Union Steel

Founded in 1984, Union Steel Holdings Limited started operations as YLS Steel Pte Ltd which was involved in the trading of ferrous scrap metal. Today, it is one of the largest metal recycling companies in Singapore in terms of volumes handled.

The Group consists of five subsidiary companies engaged in :-

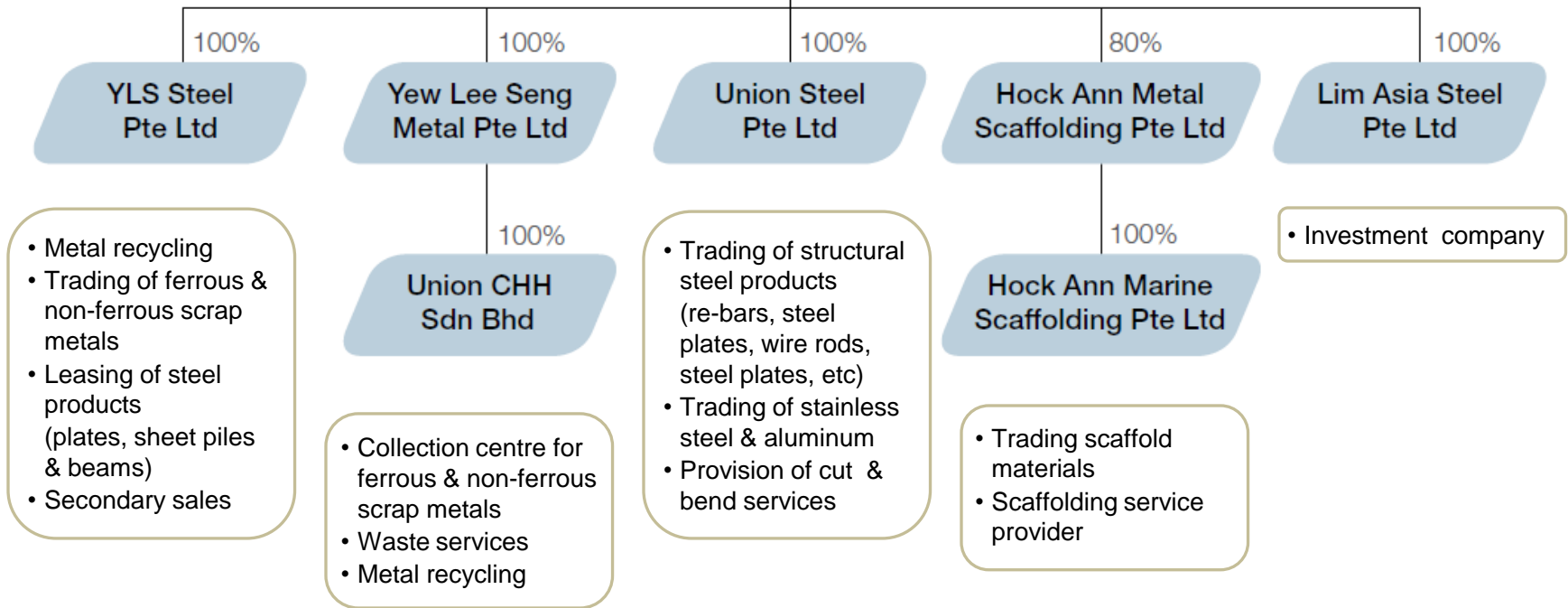
- (i) recycling of ferrous and non-ferrous scrap metal;
- (ii) trading of steel products and non-ferrous metal products;
- (iii) rental of sheet piles, steel plates and beams and
- (iv) provision of scaffolding services and related consultancy services, supply of scaffolding materials and skilled workers and buyback
- (v) industrial property investments

The Group delivers high quality products and reliable customer service to a global network of over hundreds of suppliers and customers, in countries such as Korea, India, Pakistan, Indonesia, Malaysia, Singapore and United Arab Emirates.



Group Structure

Union Steel Holdings Limited



80% stake currently,
will be wholly-owned
by FY2014



Overview of Financial Performance

- Revenue grew 28.9% on higher revenue from trading and recycling business segments
- Cost of sales increased to \$22.0 million in line with increased business volume, and expenses relating to the new business addition in Malaysia
- Gross profit margins declined from 12.2% to 8.8% as selling prices continue to be pressured, and this is consistent with the nature of the trading and recycling business
- Gross profit was 6.6% lower at \$2.1 million, and net profit decreased from \$653,000 to \$220,000, as a result of the expansion-related costs



1Q2014 Financial Highlights

(Three months ended 30 September 2013)



1Q2014 Financial Highlights

	1Q2014 (\$ million)	1Q2013 (\$ million)	% <i>Change</i>
Revenue	24.1	18.7	+28.9%
Gross Profit	2.1	2.3	-6.6%
Gross Profit Margin (%)	8.8%	12.2%	-3.4pps
Other Operating Income	2.3	2.0	+15.8%
Profit before Tax	0.2	0.7	-66.8%
Profit after Tax	0.2	0.7	-66.3%
EPS (cents)	0.02	0.11	
NAV per share (cents)	21.29	19.41	



Balance Sheet Highlights

	30 Sep 2013 (\$ million)	30 Jun 2013 (\$ million)
Current Assets	94.8	87.8
Current Liabilities	51.6	44.9
Total Assets	160.1	154.1
Total Liabilities	70.4	64.7
- <i>Bank Borrowings</i>	<i>57.8</i>	<i>50.2</i>
Total Equity	89.7	89.5
- <i>Shareholders Equity</i>	<i>83.8</i>	<i>83.8</i>
- <i>Non-controlling Interests</i>	<i>5.9</i>	<i>5.7</i>
Cash & Cash Equivalents	24.3	28.2
Net Gearing	0.40	0.26



Outlook & Strategy

- Global economic environment expected to stay subdued, and challenging market conditions will continue to put pressure on margins
- Escalating labour expenses will further add to higher operating costs
- Focus core competencies as well as prudent management of working capital
- On track to complete acquisition of final 20% stake in Hock Ann by FY2014
- Acquisitions remain a key aspect of the Group's growth strategy
- Further announcements will be made upon conclusion of the negotiations for acquisition of metal recycling business assets



Forward Looking Statements

This presentation and pertaining discussions may contain statements that are forward looking concerning the business and future performance of Union Steel Holdings Limited and its subsidiaries. These statements are based on current conditions and information and involve assumptions, risks and uncertainties of the future. As such, these statements are not to be regarded as projections of the company's future performance. You are cautioned not to put undue reliance on this presentation as actual performance and results could differ materially from what is represented in its content.

