



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

# UNION STEEL HOLDINGS LIMITED

## 4Q & FY2013 RESULTS

22 AUGUST 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.

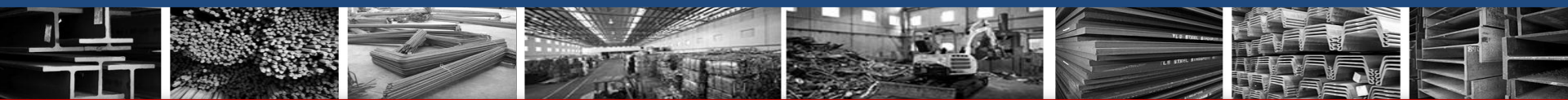


# Group Structure



Wholly-owned subsidiaries

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



# Overview of Financial Performance

- 4Q2013 revenue up 5.6% to \$25.8 million, with gross profit of \$5.6 million compared to \$2.7 million in 4Q2012
- Gross margin improvement was due to the scaffolding and recycling business segments
- Net profit was 247.2% higher at \$4.2 million, with \$3.8 million attributable to equity holders
- Full year revenue of \$91.0 million and net profit of \$7.70 million, compared to \$85.1 million revenue and \$4.1 million net profit in FY2012
- Proposed first and final dividend of 0.25 cents per share
- Sturdy financial position with cash reserves of \$28.2 million and net gearing of 0.26 times



# 4Q2013 and FY2013 Financial Highlights

(Three months & Twelve months ended 30 June 2013)



# 4Q2013 Financial Highlights

	4Q2013 (\$ million)	4Q2012 (\$ million)	% <i>Change</i>
<b>Revenue</b>	<b>25.8</b>	24.5	+5.6%
<b>Gross Profit</b>	<b>5.6</b>	2.7	+106.4%
<b>Gross Profit Margin (%)</b>	<b>21.6%</b>	11.0%	+10.6 <i>ppts</i>
<b>Other Operating Income</b>	<b>4.6</b>	3.9	+18.8%
<b>Profit before Tax</b>	<b>5.4</b>	2.9	+87.9%
<b>Profit after Tax</b>	<b>4.2</b>	1.2	+247.2%



# FY2013 Financial Highlights

	FY2013 (\$ million)	FY2012 (\$ million)	% <i>Change</i>
<b>Revenue</b>	<b>91.0</b>	85.1	+7.0%
<b>Gross Profit</b>	<b>14.8</b>	8.5	+73.9%
<b>Gross Profit Margin (%)</b>	<b>16.2%</b>	10.0%	+6.2 <i>ppts</i>
<b>Other Operating Income</b>	<b>11.5</b>	10.6	+8.1%
<b>Profit before Tax</b>	<b>9.7</b>	5.8	+67.5%
<b>Profit after Tax</b>	<b>7.7</b>	4.1	+88.8%
<b>EPS (cents)</b>	<b>1.60</b>	0.95	
<b>NAV per share (cents)</b>	<b>21.27</b>	19.30	



# Balance Sheet Highlights

	30 Jun 2013 (\$ million)	30 Jun 2012 (\$ million)
<b>Current Assets</b>	<b>87.8</b>	76.9
<b>Current Liabilities</b>	<b>44.9</b>	34.9
<b>Total Assets</b>	<b>154.1</b>	142.7
<b>Total Liabilities</b>	<b>64.7</b>	57.0
- <i>Bank Borrowings</i>	50.2	44.1
<b>Total Equity</b>	<b>89.5</b>	85.6
- <i>Shareholders Equity</i>	83.8	76.0
- <i>Non-controlling Interests</i>	5.7	9.6
<b>Cash &amp; Cash Equivalents</b>	<b>28.2</b>	23.3
<b>Net Gearing</b>	<b>0.26</b>	0.27





# Outlook & Strategy

- Global economic environment expected to stay subdued, and challenging market conditions will continue to put pressure on margins
- On track to complete acquisition of final 20% stake in Hock Ann by FY2014
- Focus on exercising financial prudence while exploring strategic opportunities for growth
- Deploying our capital in a meaningful but conservative manner to increase shareholders value
- Recently announced terms of agreement for acquisition of assets of a metal recycling business in Malaysia



# 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.

