



UNION STEEL

Union Steel Holdings Limited

Company Registration Number: 200410181W

Corporate Presentation

September 2008



To Be Part Of The Environment

Each and everyone of us is a part of the world we live in. It is up to us to protect the environment. Investing in advanced metal recycling equipment and machinery will help maximise the recycling of scrap metal, thereby saving precious natural resources.



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ABOUT UNION STEEL



We are principally engaged in the recycling of ferrous and non-ferrous scrap metals, and are one of the largest metals recyclers in Singapore in terms of volume of metals recycled.

We are a one-stop supply centre for recycled metals, steel products and other services.



BUSINESS OVERVIEW

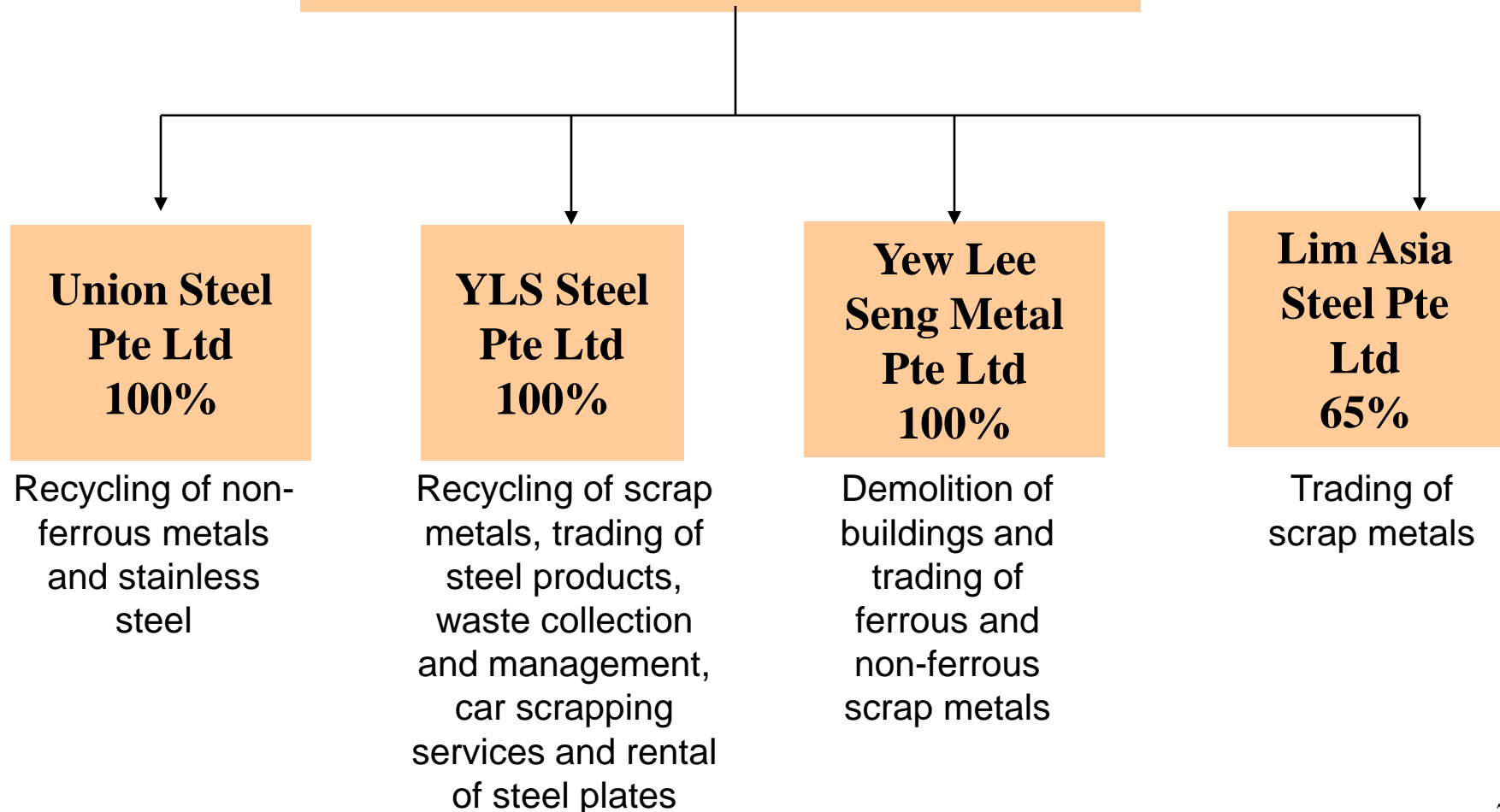
- **RECYCLING** of ferrous and non-ferrous scrap metals (73% of FY2008 revenue)
- **TRADING** of steel products (25.1% of FY2008 revenue) and
- Provision of other **SERVICES**: (1.9% of FY2008 revenue)
 - Waste collection and management
 - Demolition works
 - Rental of steel plates
 - Others



GROUP STRUCTURE



Union Steel Holdings Limited



CORPORATE MILESTONES



1984

Started as YLS Steel to trade in scrap metals

1999

YLS Steel was ranked one of the top SMEs in the annual Singapore 500 SME awards

2000

YLS Steel was appointed by the Land Transport Authority of Singapore to provide scrapping services for deregistered cars

2001

YLS Steel was licensed by the National Environmental Agency of Singapore (the “NEA”) in April 2001 to carry out the removal and disposal of asbestos wastes in Singapore and was approved by the NEA in August 2001 to provide waste disposal services.

CORPORATE MILESTONES



2003

Union Steel was awarded the “Enterprise 50 Award” and, together with YLS Steel, obtained ISO9001:2000 status

2004

1. Union Steel was ranked one of the top SMEs in the annual Singapore 500 SME Awards
2. Union Steel was awarded the “Fastest Growing 50 Certification”
3. YLS Steel and Union Steel were each presented the “Enterprise 50 Award”

2005

1. Union Steel obtained ISO:14001 status
2. Name changed from Union Steel Holdings Pte Ltd to Union Steel Holdings Limited
3. Union Steel was listed on SGX Mainboard

CORPORATE MILESTONES



2006

Wholly owned subsidiary Union Steel Pte Ltd entered into a Sales & Purchase Agreement with Nikko Shoji Company Limited, a subsidiary of Nippon Mining Inc to supply electronic waste to the latter

2007

1. Signed sale and leaseback agreement with Mapletree Logistics Trust for 4 industrial-cum-warehouse buildings in Jurong for S\$36.8m
2. Acquired about 9% of ATPK Resources Tbk which is principally engaged in coal & other minerals mining, oil & gas exploitation and Investment in energy related businesses
3. Issued warrants to shareholders on basis of 1 warrant for every 5 shares at issue price S\$0.03, exercisable at S\$0.12 over 3 years

OUR RECYCLING OPERATIONS



Procurement and Collection

Purchase scrap metal from local and overseas sources

Sorting and Segregation

Separated according to type and grade

Ferrous Scrap Metals Shearing and Cutting

Cut the scrap metals to obtain denser and cleaner scrap metals

Non-Ferrous Scrap Metals Baling and Briquetting

Compress scrap into metal blocks to meet customer specifications

Quality Control, Packing and Storage

Visual checks to verify grade of recycled non-ferrous metals;
Weighing processed metals to ensure correct quantities sold

OUR RECYCLING OPERATIONS



Procurement and Collection



Sorting and Segregation



OUR RECYCLING OPERATIONS



Shearing and Cutting



Baling and Briquetting



OUR RECYCLING OPERATIONS



Quality Control, Packing and Storage





COMPETITIVE STRENGTHS

COMPETITIVE STRENGTHS



- **Experienced management team (over 20 years of experience), and our dedication to operational excellence**
- **One Stop Supplier of a Wide range of processed metals**
- **Vertically-integrated business**
 - from direct sourcing (eg. collection and demolition work) to processing and trading
- **Large customer base of over 1000 customers**
- **Commitment to quality**
- **Strong sales & marketing team**
 - includes sales into the PRC, India, Indonesia, Japan, Malaysia, Hong Kong, Taiwan, Thailand and Vietnam

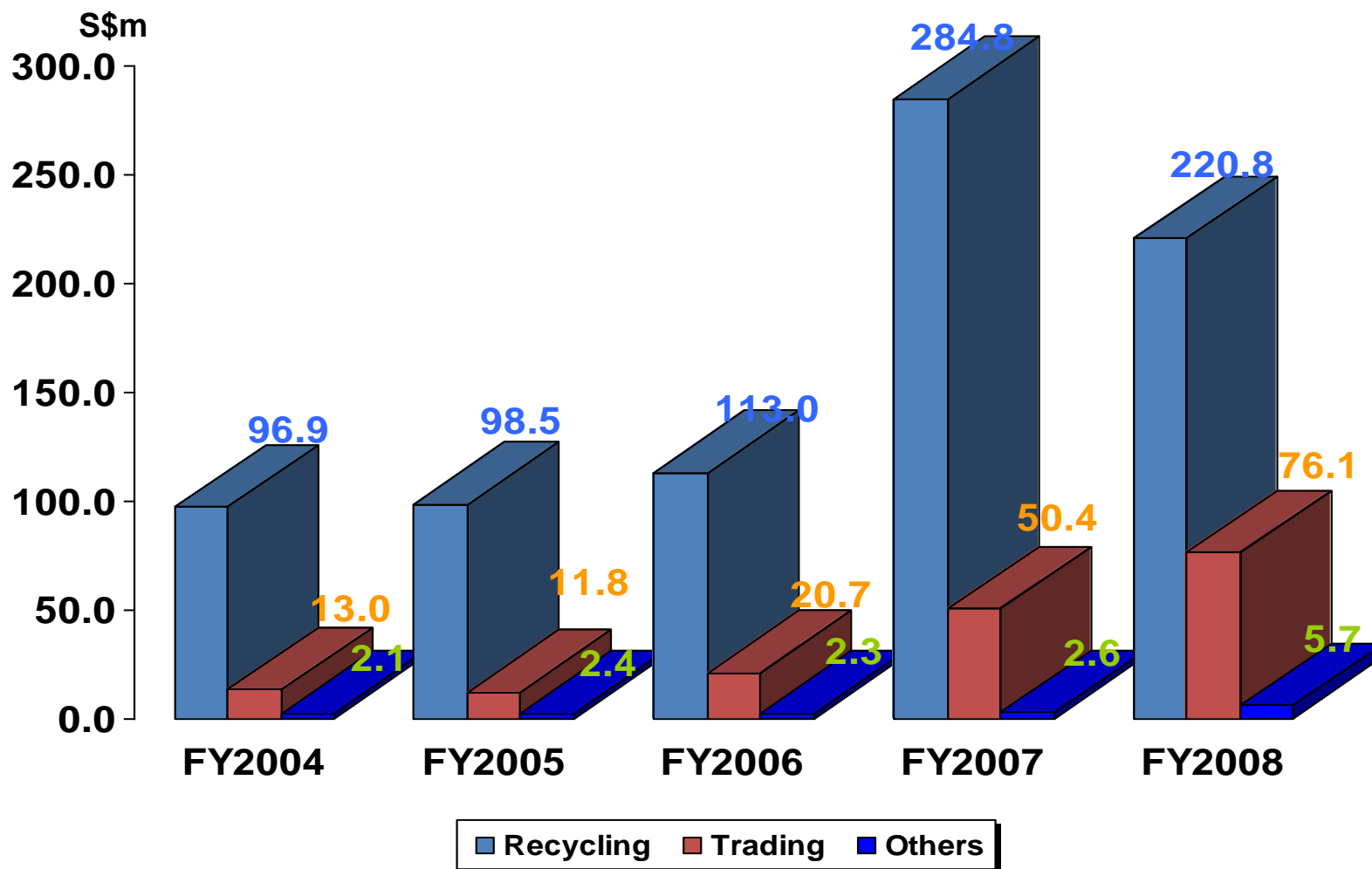
FINANCIAL REVIEW



GROUP REVENUE



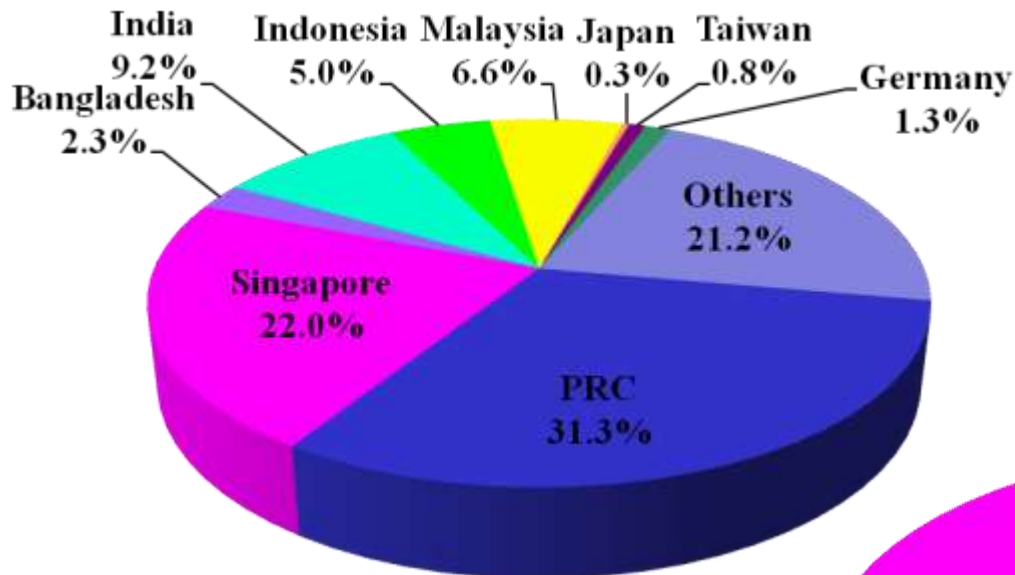
Major revenue contributor is the recycling business; Drop in revenue as increase in revenue from recycling of ferrous metal is less than fall in recycling of non-ferrous metal.



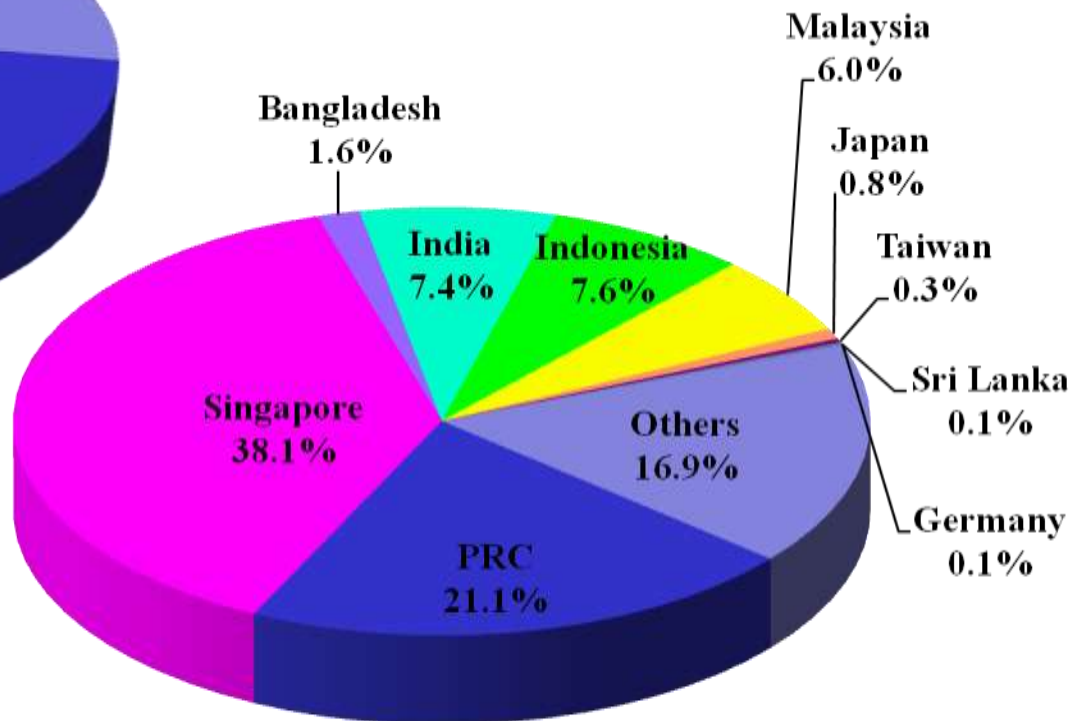
REVENUE BY MARKETS



Strong revenue contribution from Singapore and PRC.



FY2007

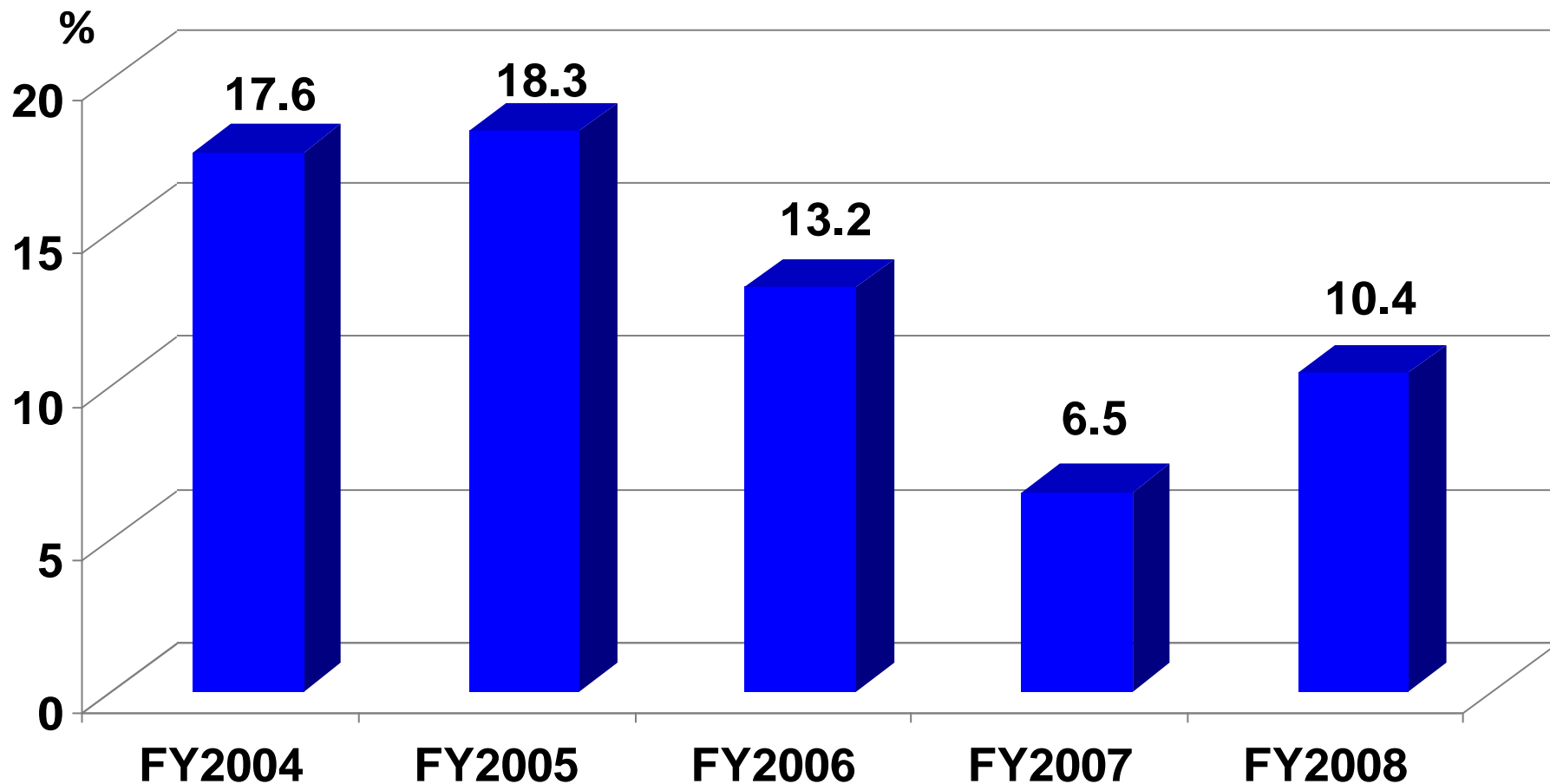


FY2008

GROSS PROFIT MARGIN



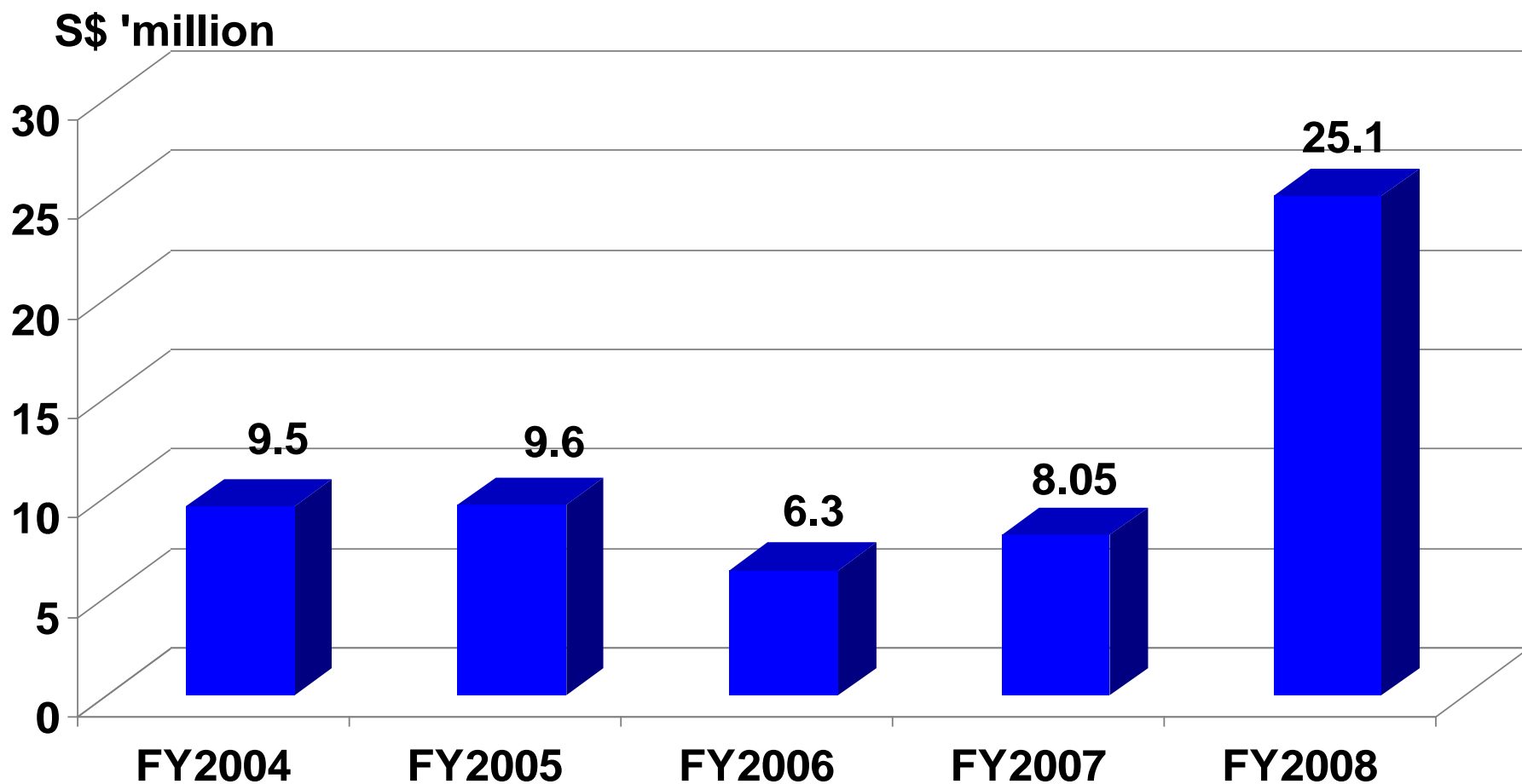
Gross profit margin for FY2008 increased by 67% compared to FY2007



GROUP NET PROFIT



Net profit increased by 212.2% to reach S\$25.1million



KEY FINANCIAL HIGHLIGHTS



	FY2007 (S\$ '000)	FY2008 (S\$ '000)
Cash & Cash Equivalent	20,163	28,775
Cash Used in Operating Activities	(5,278)	(10,494)
Current Ratio	1.55	1.66
Inventory Turnover Days	51	100
Receivables Turnover Days	23	32
Payable Turnover Days	18	20

KEY FINANCIAL RATIO



	FY2007	FY2008
Gearing Ratio	1.08x	0.79x
ROE	17.1%	36.8%
ROA	6.7%	15.7%

KEY FINANCIAL RATIO



	FY2007	FY2008
EPS*	2.32cts	7.24cts
PE Ratio	8.19x	2.62x
NAV/ Share*	13.60	19.68

* Based on a share capital of 347,174,250 ordinary shares and a share capital of 347,105,250 of ordinary shares for financial period ended 30 June 2008 and 30 June 2007 respectively.



Future Plans & Outlook

FUTURE PLANS & OUTLOOK



- **Robust growth in FY2008 due to strong demand in recycled steel and metal**
- **Growth in FY2009 expected to be moderate due to volatility in metal prices**
- **Continue to capture benefits of business integration**
- **Expand sources of scrap metals**
- **Actively seek merger & acquisition of steel related businesses**
- **Outlook for FY2009 is positive, barring unforeseen circumstances, FY2009 will remain profitable**
- **The Board of Directors holds the view that the company should continue to share part of its earnings with shareholders through dividends**



UNION STEEL HOLDINGS LIMITED

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QUESTION & ANSWER