



UNION STEEL HOLDINGS LIMITED

友联钢铁控股有限公司

UNION STEEL HOLDINGS LIMITED

3Q AND 9M 2014 RESULTS

8 MAY 2014



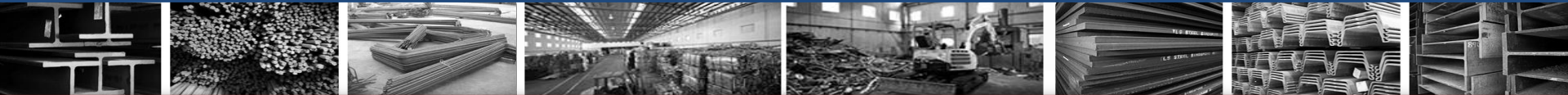
About Union Steel

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 :-

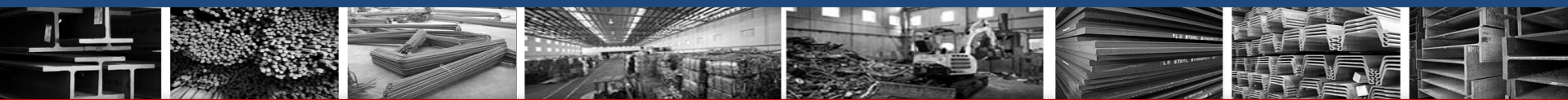
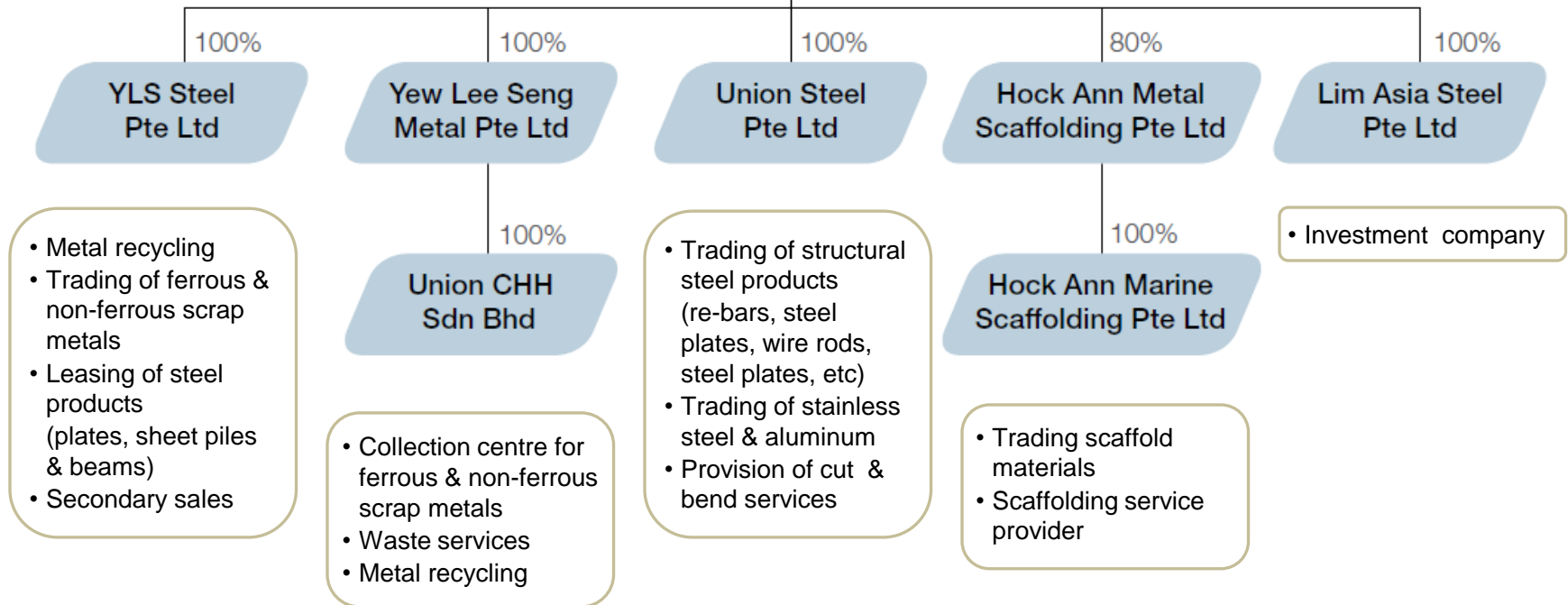
- (i) recycling of ferrous and non-ferrous scrap metal;
- (ii) trading of steel products and non-ferrous metal products;
- (iii) rental of sheet piles, steel plates and beams;
- (iv) provision of scaffolding services and related consultancy services, supply of scaffolding materials and skilled workers; and
- (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 Singapore, Malaysia, India, Indonesia, Vietnam, China, Korea and Bangladesh.



Group Structure

Union Steel Holdings Limited



Overview of Financial Performance

- Revenue for 3Q2014 and 9M2014 grew over 50% due to increased contributions from the trading and recycling business segments and the recently established Malaysian entity
- Gross profit affected by higher cost of sales and lower selling prices for the trading business segment
- Administrative expenses increased on higher payroll costs and spending on infrastructure to support the business expansion in Malaysia
- 3Q2014 net profit \$1.1 million (\$1.0 million attributable to equity holders), 9M2014 net profit \$2.8 million (\$2.4 million attributable to equity holders)





3Q2014 and 9M2014 Financial Highlights

(Three and nine months ended 31 March 2014)



3Q2014 Financial Highlights

	3Q2014 (\$ million)	3Q2013 (\$ million)	% Change
Revenue	37.7	23.7	+59.1%
Gross Profit	3.3	3.1	+6.5%
Gross Profit Margin (%)	8.6 %	12.9%	-4.3 ppts
Other Income	1.8	2.6	-29.6%
Profit before Tax	0.9	1.8	-50.2%
Profit after Tax	1.1	1.5	-26.7%
Profit after Tax attributable to Equity Holders	1.0	1.3	-20.3%



9M2014 Financial Highlights



UNION STEEL HOLDINGS LIMITED

友联钢铁控股有限公司

	9M2014 (\$ million)	9M2013 (\$ million)	% <i>Change</i>
Revenue	101.3	65.1	+55.5%
Gross Profit	10.2	9.2	+11.1%
Gross Profit Margin (%)	10.1%	14.1%	-4.0 <i>ppts</i>
Other Operating Income	6.3	6.8	-8.6%
Profit before Tax	3.2	4.3	-27.2%
Profit after Tax	2.8	3.5	-19.1%
Profit after Tax attributable to Equity Holders	2.4	2.5	-3.5%
EPS (cents)	0.62	0.64	
NAV per share (cents)	21.69	21.27	



Balance Sheet Highlights

	31 Mar 2014 (\$ million)	30 Jun 2013 (\$ million)
Current Assets	90.2	87.8
Current Liabilities	46.3	44.9
Total Assets	156.8	154.1
Total Liabilities	65.3	64.7
- <i>Bank Borrowings</i>	<i>53.4</i>	<i>50.2</i>
Total Equity	91.5	89.5
- <i>Shareholders Equity</i>	<i>85.2</i>	<i>83.8</i>
- <i>Non-controlling Interests</i>	<i>6.1</i>	<i>5.7</i>
Cash & Cash Equivalents	31.6	28.2
Net Gearing	0.59	0.56



Outlook & Strategy

- Overall business expected to be flat, with steel prices remaining sluggish given weak market demand
- The Group will stay vigilant in managing stockpile levels and exercise prudent capital management
- Recently entered into an asset acquisition agreement for assets in Malaysia, the Group's first overseas acquisition; will provide opportunities to expand customer base and presence in Malaysia, as well as give access to new sources of scrap metal
- Recently completed the acquisition of final 20% stake in Hock Ann, thus making it a wholly-owned subsidiary



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.

