



UNION STEEL HOLDINGS LIMITED

友联钢铁控股有限公司

UNION STEEL HOLDINGS LIMITED

4Q AND FY 2014 RESULTS

21 AUGUST 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.

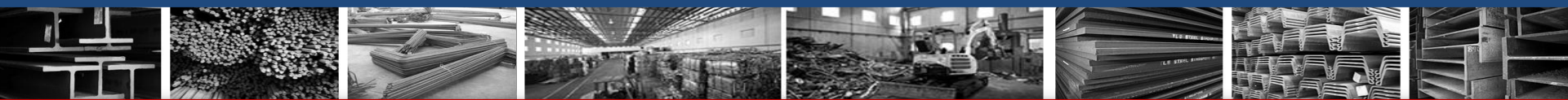
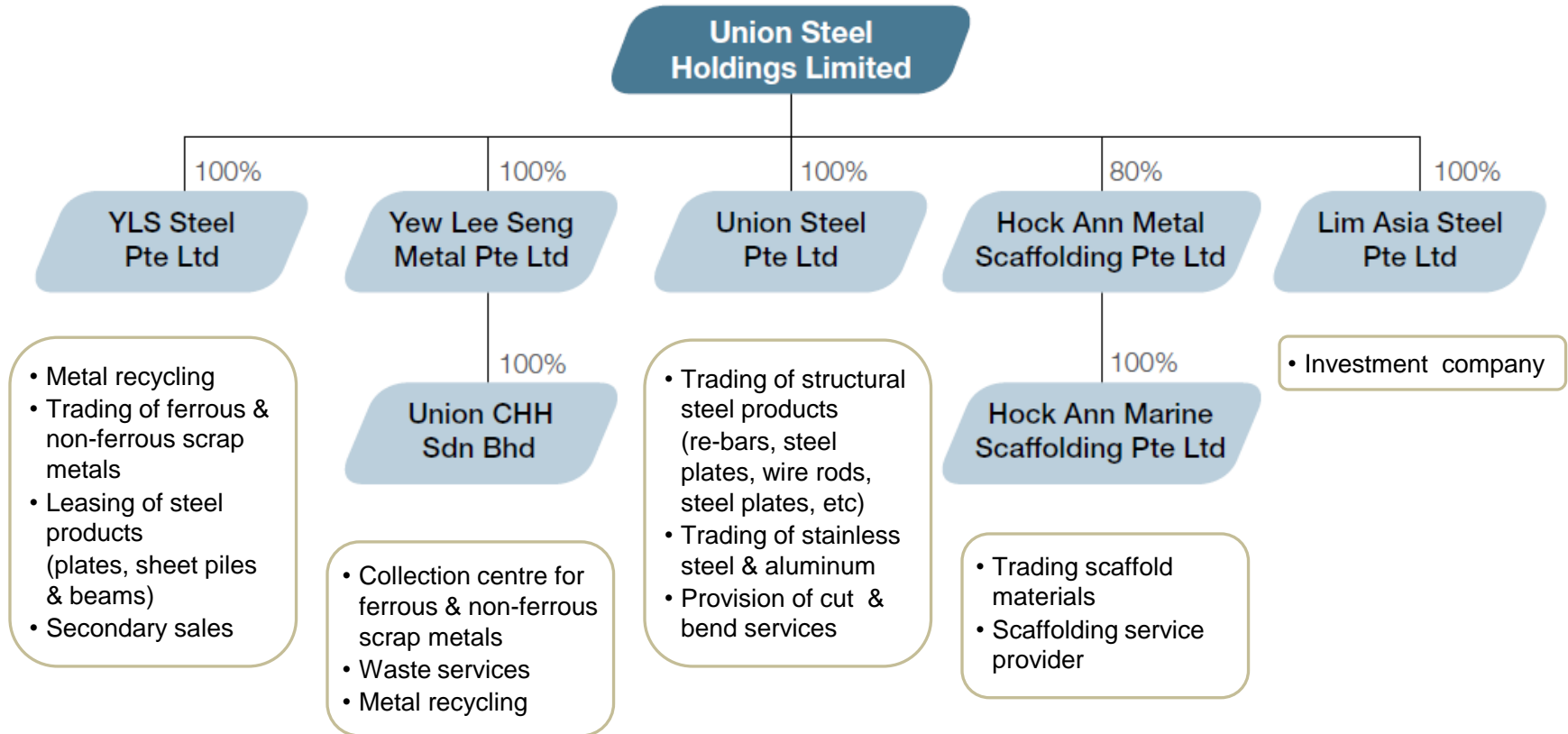
The Group consists of five subsidiary companies engaged in :-

- (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.

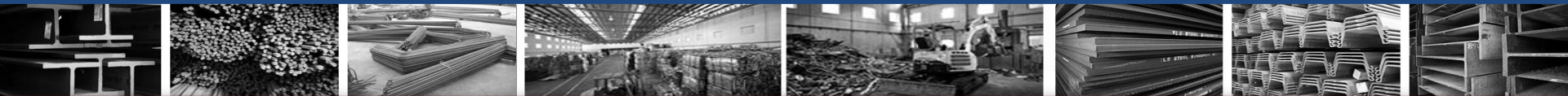


Group Structure



Overview of Financial Performance

- Revenue grew 71.5% for 4Q2014 and 60.1% for FY2014, with increased revenue from the trading and recycling business segments, and contributions from the Malaysian entity which was established in early FY2014
- Gross profit margins reduced due to strong competition within the steel industry
- Administrative expenses increased on higher payroll costs and spending on infrastructure to support the business expansion in Malaysia
- \$2.1 million net profit for 4Q2014, \$4.5 net profit attributable to equity holders for FY2014





4Q2014 and FY2014 Financial Highlights

(Three and twelve months ended 30 June 2014)



4Q2014 Financial Highlights

	4Q2014 (\$ million)	4Q2013 (\$ million)	% Change
Revenue	44.3	25.8	+71.5%
Gross Profit	5.5	5.6	-0.9%
Gross Profit Margin (%)	12.5 %	21.6%	-9.8 ppts
Other Income	4.0	4.6	-14.6%
Profit before Tax	3.0	5.4	-44.2%
Profit after Tax	2.1	4.2	-50.3%
Profit after Tax attributable to Equity Holders	2.1	3.8	-45.4%



FY2014 Financial Highlights

	FY2014 (\$ million)	FY2013 (\$ million)	% <i>Change</i>
Revenue	145.6	91.0	+60.1%
Gross Profit	15.7	14.8	+6.6%
Gross Profit Margin (%)	10.8%	16.2%	-5.6 <i>ppts</i>
Other Operating Income	10.2	11.5	-11.0%
Profit before Tax	6.2	9.7	-36.6%
Profit after Tax	4.9	7.7	-36.0%
Profit after Tax attributable to Equity Holders	4.5	6.3	-28.6%
EPS (cents)	1.14	1.60	
NAV per share (cents)	22.87	21.27	



Balance Sheet Highlights

	30 June 2014 (\$ million)	30 Jun 2013 (\$ million)
Current Assets	100.6	87.8
Current Liabilities	57.5	44.9
Total Assets	168.3	154.1
Total Liabilities	78.2	64.7
- <i>Bank Borrowings</i>	<i>62.8</i>	<i>50.2</i>
Total Equity	90.1	89.5
- <i>Shareholders Equity</i>	<i>90.1</i>	<i>83.8</i>
- <i>Non-controlling Interests</i>	<i>-</i>	<i>5.7</i>
Cash & Cash Equivalents	33.7	28.2
Net Gearing	0.70	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 properties and machinery in Malaysia, subject to fulfilment of certain conditions.
- Operations in Malaysia is challenging with higher costs and competition from numerous competitors.



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.

