

HUPSteel Limited
4QFY15 & FULL YEAR FINANCIAL STATEMENTS (UNAUDITED)

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),
 HALF-YEAR AND FULL-YEAR RESULTS**

**1(a) Group statement of comprehensive income and comparative statement for the
 corresponding period of the immediately preceding financial year**

The following figures have not been audited.

	GROUP (S\$'000)					
	3 months ended 30.6.15	3 months ended 30.6.14	% + / (-)	12 months ended 30.6.15	12 months ended 30.6.14	% + / (-)
Revenue	17,452	27,329	-36%	84,386	117,289	-28%
Changes in inventories*	(1,655)	8,439	NM	(9,241)	(10,580)	-13%
Purchases of inventories	(15,774)	(30,723)	-49%	(63,214)	(87,284)	-28%
Gross profit	23	5,045	NM	11,931	19,425	-39%
Other (losses)/gains	(4,635)	116	NM	(4,559)	240	NM
Other operating income	345	365	-5%	1,418	1,404	1%
Staff cost	(1,848)	(2,250)	-18%	(7,519)	(8,462)	-11%
Depreciation	(413)	(379)	9%	(1,665)	(1,690)	-1%
Other operating expenses	(3,499)	(1,674)	109%	(7,981)	(6,754)	18%
Finance cost - net	(51)	10	NM	(81)	(7)	NM
(Loss)/profit before tax	(10,078)	1,233	NM	(8,456)	4,156	NM
Income tax credit/(expense)	781	(108)	NM	505	(605)	NM
Total (loss)/profit	(9,297)	1,125	NM	(7,951)	3,551	NM
Other comprehensive (loss)/income:						
Currency translation differences arising from consolidation	(112)	53	NM	(311)	(145)	NM
Available-for-sale financial assets						
- Fair value (losses)/gains	(630)	708	NM	31	586	NM
- Reclassification	(50)	(58)	-14%	(502)	(298)	68%
Total comprehensive (loss)/income	(10,089)	1,828	NM	(8,733)	3,694	NM
(Loss)/profit attributable to Equity holders of the Company	(9,297)	1,125	NM	(7,951)	3,551	NM
Total comprehensive (loss)/income attributable to Equity holders of the Company	(10,089)	1,828	NM	(8,733)	3,694	NM
Earnings per share based on profit attributable to equity shareholders:						
- Basic (cent)	(1.51)	0.18		(1.29)	0.58	
- Diluted (cent)	(1.51)	0.18		(1.29)	0.58	

Note - *: Included provision for inventory write-down of \$3.3M in 4QFY15
 NM : not meaningful

(Loss)/profit attributable to shareholders is arrived at after crediting/(charging) the following:

	GROUP (S\$'000)			
	3 months ended 30.6.15	3 months ended 30.6.14	12 months ended 30.6.15	12 months ended 30.6.14
Dividend income	84	49	138	83
Interest income	274	286	1,142	1,082
Reclassification from other comprehensive income on disposal of available-for-sale financial assets	50	58	502	298
Goodwill impairment	(4,630)	-	(4,630)	-
(Loss)/gain on sale of property, plant and equipment - net	-	(2)	2	(4)
Depreciation	(413)	(379)	(1,665)	(1,690)
Foreign exchange (loss)/gain	(55)	60	(433)	(54)
Finance cost-net is made up of :				
Interest expense	#	#	(3)	(23)
Foreign exchange (loss)/gain arising from borrowings - trust receipts	(51)	10	(78)	16
Fair value gain on derivative financial instruments not qualifying as hedges	-	1	-	1
Allowance for trade receivables	(1,911)	(84)	(1,921)	(62)
Bad debts recovered	1	1	1	1
Provision for stock obsolescence and write-down	(3,250)	-	(3,250)	1

Amount is less than S\$1,000.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	GROUP		COMPANY	
	30.06.2015 \$'000	30.06.2014 \$'000	30.06.2015 \$'000	30.06.2014 \$'000
Current Assets				
Cash and cash equivalents	44,279	50,029	8,467	16,937
Trade and other receivables	25,314	38,059	7,309	8,110
Inventories	45,026	54,267	22,286	25,603
Other current assets	188	145	90	69
Tax recoverable	33	-	30	-
Due from subsidiaries	-	-	8,988	8,933
	114,840	142,500	47,170	59,652
Non-Current Assets				
Available-for-sale financial assets	20,677	18,804	20,677	18,804
Investment in club membership	43	43	-	-
Investment in subsidiaries	-	-	9,457	9,457
Loan to a subsidiary	-	-	28,829	35,930
Property, plant and equipment	23,031	24,498	170	170
Investment properties	34,130	25,542	27,127	18,448
Goodwill	-	4,630	-	-
Deferred income tax assets	649	106	356	218
Other receivables	32	-	32	-
	78,562	73,623	86,648	83,027
Total Assets	193,402	216,123	133,818	142,679
Current Liabilities				
Trade and other payables	6,479	12,548	2,748	4,770
Current income tax liabilities	5	840	-	480
Due to a subsidiary	-	-	1,439	1,150
Borrowings	408	848	408	848
	6,892	14,236	4,595	7,248
Non-Current Liability				
Provision for directors' retirement gratuity	485	962	485	962
	485	962	485	962
Total Liabilities	7,377	15,198	5,080	8,210
Net Assets	186,025	200,925	128,738	134,469
Share capital and reserves				
Share capital	107,485	107,485	107,485	107,485
Treasury shares	(2,498)	(2,498)	(2,498)	(2,498)
Capital reserves	(477)	(477)	1,430	1,430
Currency translation reserves	(1,301)	(990)	-	-
Fair value reserves	132	603	132	603
Retained profits	82,684	96,802	22,189	27,449
	186,025	200,925	128,738	134,469

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30.6.2015 ('000)		As at 30.6.2014 (\$'000)	
Secured	Unsecured	Secured	Unsecured
-	408	-	848

Amount repayable after one year

As at 30.6.2015 ('000)		As at 30.6.2014 ('000)	
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Details of any collateral

The unsecured group borrowings consist of trust receipts of the Group arising from the ordinary course of business. Certain Group borrowings are covered by corporate guarantee from the Company.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group (\$S'000)			
	4Q FY15	4Q FY14	1.7.14 - 30.6.15	1.7.13 - 30.6.14
Cash flow from operating activities				
Total (loss)/profit	(9,297)	1,125	(7,951)	3,551
Adjustments for:				
- Income tax expense	(781)	108	(505)	605
- Impairment of goodwill	4,630	-	4,630	-
- Property, plant and equipment and investment properties				
- Depreciation	413	379	1,665	1,690
- Net (loss)/gain on disposal	-	2	(2)	4
- Available-for-sale financial assets				
- Reclassification from other comprehensive income on disposal	(50)	(58)	(502)	(298)
- Interest income	(274)	(286)	(1,142)	(1,082)
- Interest expense	-	-	3	23
- Unrealised currency translation gains	(445)	-	(445)	-
- Dividend income	(84)	(49)	(138)	(83)
	(5,888)	1,221	(4,387)	4,410
Change in working capital				
- Inventories	1,655	(8,439)	9,241	10,580
- Trade and other receivables	5,249	3,486	12,661	12,151
- Derivative financial instruments	-	3	-	3
- Other current assets	87	168	(43)	8
- Trade and other payables	2,313	5,802	(6,722)	(2,436)
- Provision for directors' retirement gratuity	11	11	(477)	46
Cash generated from operations	3,427	2,252	10,273	24,762
Income taxes paid	(92)	(174)	(911)	(388)
Interest received	326	237	1,194	1,033
Net cash generated from operating activities	3,661	2,315	10,556	25,407
Cash flows from investing activities				
Property, plant and equipment and investment properties				
- Purchases	(1,507)	(10,236)	(8,237)	(12,376)
- Proceeds from disposal	-	146	2	146
Financial assets, available-for-sale				
- Purchases	(2,697)	(2,746)	(5,204)	(7,920)
- Proceeds from disposal	367	505	3,807	5,786
Dividends received	84	49	138	83
Net cash used in investing activities	(3,753)	(12,282)	(9,494)	(14,281)
Cash flows from financing activities				
Purchase of treasury shares	-	-	-	(533)
Proceeds from trust receipts	2,668	2,623	11,372	25,214
Repayment of trust receipts	(2,710)	(2,241)	(11,812)	(28,045)
Dividend paid to shareholders	-	-	(6,167)	(6,182)
Interest paid	-	-	(3)	(23)
Net cash generated (used in)/from financing activities	(42)	382	(6,610)	(9,569)
Net (decrease)/increase in cash and cash equivalents	(134)	(9,585)	(5,548)	1,557
Cash and cash equivalents at beginning of the financial period	44,416	59,491	50,029	48,547
Effects of currency translation on cash and cash equivalents	(3)	123	(202)	(75)
Cash and cash equivalents at end of the financial period	44,279	50,029	44,279	50,029

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	Share Capital	Treasury shares	Capital Reserves	Currency Translation Reserves	Fair Value Reserves	Retained Earnings	Total Equity
Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2014	107,485	(2,488)	(477)	(990)	603	96,802	200,925
Dividend paid	-	-	-	-	-	(6,167)	(6,167)
Total comprehensive (expenses)/income	-	-	-	(311)	(471)	(7,951)	(8,733)
At 30 June 2015	107,485	(2,498)	(477)	(1,301)	132	82,684	186,025
Group							
At 1 July 2013	107,485	(1,965)	(477)	(845)	315	96,337	200,850
Purchase of treasury shares	-	(533)	-	-	-	-	(533)
Dividend paid	-	-	-	-	-	(3,086)	(3,086)
Total comprehensive (expenses)/income	-	-	-	(145)	288	3,551	3,694
At 30 June 2014	107,485	(2,498)	(477)	(990)	603	96,802	200,925

	Share Capital	Treasury shares	Capital Reserves	Currency Translation Reserves	Fair Value Reserves	Retained Earnings	Total Equity
Company	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2014	107,485	(2,498)	1,430	-	603	27,449	134,469
Dividend paid	-	-	-	-	-	(6,167)	(6,167)
Total comprehensive income	-	-	-	-	(471)	907	436
At 30 June 2015	107,485	(2,498)	1,430	-	132	22,189	128,738
Company							
At 1 July 2013	107,485	(1,965)	1,430	-	315	27,872	135,137
Purchase of treasury shares	-	(533)	-	-	-	-	(533)
Dividend paid	-	-	-	-	-	(3,086)	(3,086)
Total comprehensive income	-	-	-	-	288	2,663	2,951
At 30 June 2014	107,485	(2,498)	1,430	-	603	27,449	134,469

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Treasury Shares	No. of shares	\$'000
Balance as at 30 Jun 2014	10,593,000	2,498
Purchases	-	-
Balance as at 30 Jun 2015	10,593,000	2,498

(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	30.06.15	30.06.14
Number of shares in issue	616,777,610	616,777,610

(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the end of the current financial period reported on.

Not applicable. None of the above occurred since the end of the previous period reported on.

2. Whether the figures have been audited, or reviewed and in accordance with which standard or practice.

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The same accounting policies and methods of computation as in the most recently audited financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	GROUP			
	3 months ended 30.06.15 (note 1)	3 months ended 30.06.14	12 months ended 30.06.15 (note 1)	12 months ended 30.06.14
Earnings per share based on profit attributable to equity shareholders:				
(a) Basic (cent)	(1.51)	0.18	(1.29)	0.58
(b) Diluted (cent)	(1.51)	0.18	(1.29)	0.58

Note 1 : The basic and diluted earnings per share is calculated based on the weighted average number of ordinary shares of 616,777,610 (30.06.14: 617,162,194) in issue during the year.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	GROUP		COMPANY	
	30.06.15	30.06.14	30.06.15	30.06.14
Net Asset Value per ordinary share (cents)	30.16	32.58	20.87	21.80

The net asset value per ordinary share is calculated based on the number of ordinary shares in issue of 616,777,610 at the end of the financial year (30.06.14: 616,777,610).

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

REVIEW OF OPERATING PERFORMANCE

Revenue & Gross profit

	\$'000			12MFY15	12MFY14
	4QFY15	3QFY15	4QFY14		
Revenue	17,452	20,984	27,329	84,386	117,289
Gross Profit	23	3,691	5,045	11,931	19,425
GP %	0.1%	17.6%	18.5%	14.1%	16.6%

Throughout the financial year ended 30 June 2015 ('FY15'), the global economy had been negatively affected by geopolitical conflicts, Eurozone debt crisis, expectation of US interest rate hike and slowdown in the Chinese market. As a result, shipyards' activities had been on a decline and coupled with the fall in oil prices, businesses from the oil & gas sector were also affected. The combination of these factors had caused demand for steel products to slide progressively over the last few quarters.

As such, revenue for the 4th quarter ended 30 June 2015 ('4QFY15') fell to \$17.4M from \$21.0M recorded for 3QFY15 mainly due to poor demand for steel plates from the market. Customers from the shipbuilding, oil & gas sectors were the ones who had been significantly reducing their requirement over the last few quarters. Demand for pipes and fittings had also stagnated as a result of the weaker market.

As demand for steel products continued to soften throughout FY15, it gave rise to steep competition among suppliers. This had resulted in year-on-year revenue for 4QFY15 falling 36.3% to \$17.4M from \$27.3M reported for the 4th quarter ended 30 June 2014 ('4QFY14'). This decline in quarterly sales translated to a drop in FY15 turnover to \$84.4M from \$117.3M reported for FY14.

The fierce competition and sliding market demand led the Group to review the carrying value of its inventory holdings and took necessary steps to write down affected stock items to net realisable value and make provisions for items identified as slow moving, amounting to \$3.3M for 4QFY15. This provision was taken into consideration when computing the changes in inventories which in turn was used to calculate the gross profits. As a result, gross profits for 4QFY15 & 12MFY15 fell to \$23K and \$11.9M from \$5.0M and \$19.4M respectively. The gross profits before adjusting for the provision would have been \$3.3M and \$15.2M for 4QFY15 & 12MFY15 representing gross profit margins of 18.8% (4QFY14: 18.5%) and 18.0% (12MFY14:16.6%) respectively.

Other operating income

Other operating income for 4QFY15 decreased slightly to \$345K from \$364K in 4QFY14, mainly due to lower interest income earned in the reporting quarter. However for FY15, other operating income had maintained at \$1.4M as a result of gain from partial disposal of the available-for-sale financial assets of \$502K which was higher than \$298K reported for FY14.

Other gains/losses

During the quarter, the group decided to write off the goodwill of \$4.6M associated with the acquisition of the structural steel business as the evaluated net present value of its future cashflow generated by the unit could not support the carrying value of its net assets after taking into consideration the dim outlook expected in the middle term.

Expenses

Staff cost, Depreciation, Other operating expenses & Finance cost

Staff cost in 4QFY15 and FY15 decreased to \$1.8M and \$7.5M from \$2.3M and \$8.5M in 4QFY14 and FY14 respectively due to lower provision for incentives as a result of lower revenue and net loss reported.

Depreciation charge for FY15 of \$1.7M was comparable to FY14 of \$1.7M as there were no other major additions to fixed assets and the construction works carried out at 6 Kim Chuan Drive were not subjected to depreciation since it had not been completed and ready for use as at 30 June 2015.

The group had made a provision for doubtful debts of \$1.9M and a large proportion of the amount was provided against overseas customers. This provision for doubtful debts contributed to the increase in other operating expenses for 4QFY15 and FY15 to \$3.2M (4QF14:\$1.7M) and \$8.0M (FY14:\$7.0M) respectively.

Finance cost – net for 4QFY15 was due to an exchange loss of \$51K (4QFY14: \$10K exchange gain) associated with the utilisation of bank facilities for the purchase of inventories. For the year, the Group incurred a net expense of \$81K (FY14:\$7K) in finance cost – net comprising an exchange loss of \$78K (FY14:\$16K exchange gain) due to the strengthening US dollar and an interest expense of \$3K (FY14:\$23K).

Loss attributable to equity holders of the Company

As a result of the write-down of inventories' value, the goodwill written off and provision for doubtful debts, the Group suffered a net loss. After adjusting for tax provision made in previous quarters and taking into consideration of the tax benefits arising from unutilised losses, the net loss for 4QFY15 was \$9.3M (4QFY14: \$1.1M net profit) while the net loss for FY15 was \$8.0M compared with a net profit of \$3.6M for FY14.

REVIEW OF FINANCIAL POSITION AS AT 30 JUNE 2015

Current assets and current liabilities

Trade and other receivables dropped to \$25.3M from \$38.1M (4QFY14) due to the lower sales recorded for the year.

The Group's current year inventory balance after the provision in inventory write-down stood at \$45.0M compared with \$54.3M in 4QFY14. The reduction in inventory holding was in tandem with the lower sales volume and a cautious replenishment programme.

Trade and other payables decreased to \$6.5M from \$12.5M (4QFY14) as the Group utilised its cash holdings to pay down its liabilities.

Current income tax liabilities decreased to \$5K from \$840K because no tax liabilities were expected to arise after considering transfer of tax losses within the Group under the Group relief scheme.

Current assets and current liabilities (continued)

There was a reduction in borrowings to \$408K from \$848K as the Group utilised its cash and cash equivalents to pay down for its inventory purchases and clear the liabilities as soon as they fall due. The Group continued to maintain a healthy current ratio of 16.7 times (FY14: 10.0 times).

Non current assets

Available-for-sale financial assets increased in value to \$20.7M (FY14: \$18.8M) due to purchase of marketable bonds and equities.

Investment properties increased to \$34.1M due to ongoing construction of the industrial building at 6 Kim Chuan Drive.

Deferred income tax assets increased to \$649K from \$106K mainly due to accounting for tax benefits arising from unutilised tax losses.

Share capital and reserves

The Group held 10,593,000 treasury shares at the end of the current financial year.

During the year, the Group disposed some of the available-for-sale financial assets to recognise the gain in value while newly acquired available-for-sale assets were affected by the weakening market thereby causing Fair Value Reserve balance to lower to \$132K (FY14: \$603K).

Cash flow

For FY15, net cash generated from operating activities was \$10.6M (FY14: 25.4M) while cash used in investing and financing activities were \$9.5M (FY14: \$14.3M) and \$6.6M (FY14: \$9.6M) respectively. These had resulted in a decrease of \$5.5M in cash & cash equivalents (FY14: \$1.6M increase). As at 30 June 2015, the Group's cash holding was \$44.3M compared to \$50.0M as at 30 June 2014.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast or a prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Demand for structural steel products, pipes and fittings is unlikely to recover in the next few quarters and competition will remain intense. The market is also plagued by an oversupply of steel products and before this excess quantities can be fully consumed, it will act as a dampener to the selling price of the products.

The impending US interest rate hike and strengthening US dollar will add to the cost pressure faced by the Group in the near term. The Group will look to optimising its operating costs to remain competitive and manage its inventory configuration to meet prevailing market needs.

With the shipbuilding and oil prices not showing signs of recovery, the new financial year will be a challenging and tough one for the Group. However, with a healthy holding of cash balances on our balance sheets and minimal liabilities, the Group believes that it has the necessary resources to weather out the sluggish market and is ready to seek out business opportunities within and beyond its steel business.

The Group is not optimistic of returning to profitability in the next reporting quarter.

The new building at 6 Kim Chuan has received its temporary occupation permit on 24 August 2015. While the property measures imposed by the government and slowing economy will likely affect the take up rate of the units in the near term, the newly completed building will still serve as a new income stream to the Group.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared/recommended for the current financial period reported on? Yes

Name of Dividend Tax exempt (one-tier)	Final (Recommended)
Dividend Type	Cash
Dividend Amount per share	0.1 cent

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of Dividend Tax exempt (one-tier)	Final (Paid on 14/1/15)
Dividend Type	Cash
Dividend Amount per share	1.0 cent

(c) Date payable

To be advised.

(d) Books closure date

To be advised.

12. If no dividend has been declared/recommended, a statement to that effect

Not applicable.

13. Interested Person Transactions

There was no IPT transaction for the quarter and the Group does not have any general mandate from shareholders pursuant to Rule 920.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Geographical Information

	Singapore	Malaysia	Total
	\$'000	\$'000	\$'000
2015			
Revenue			
Segment revenue	82,177	4,465	86,642
Inter-Segment Elimination	(2,256)	-	(2,256)
External Sales	<u>79,921</u>	<u>4,465</u>	<u>84,386</u>
Segment Results	(4,076)	(889)	(4,965)
Goodwill impairment	(4,630)	-	(4,630)
Interest Income	899	243	1,142
Interest Expenses	(3)	-	(3)
Income tax credit	448	57	505
Profit after tax	<u>(7,362)</u>	<u>(589)</u>	<u>(7,951)</u>
<i>Segment results include the following items:</i>			
Provision for inventory write-down	(3,115)	(135)	(3,250)
Allowance for trade receivables	<u>(1,692)</u>	<u>(229)</u>	<u>(1,921)</u>
Segment assets	<u>180,112</u>	<u>13,290</u>	<u>193,402</u>
Segment liabilities	6,547	417	6,964
Tax liabilities	-	5	5
Borrowings	408	-	408
Total liabilities	<u>6,955</u>	<u>422</u>	<u>7,377</u>
<i>Other segment items</i>			
Capital expenditure	8,236	1	8,237
Depreciation of investment properties and property, plant and equipment	<u>1,620</u>	<u>45</u>	<u>1,665</u>
2014			
Revenue			
Segment revenue	111,455	9,772	121,227
Inter-Segment Elimination	(3,938)	-	(3,938)
External Sales	<u>107,517</u>	<u>9,772</u>	<u>117,289</u>
Segment Results	2,870	227	3,097
Interest Expenses	(17)	(6)	(23)
Interest Income	905	177	1,082
Income tax expense	(498)	(107)	(605)
Profit after tax	<u>3,260</u>	<u>291</u>	<u>3,551</u>
<i>Segment results include the following items:</i>			
(Allowance)/write-back for trade receivables	<u>(74)</u>	<u>12</u>	<u>(62)</u>
Segment assets	<u>203,196</u>	<u>12,927</u>	<u>216,123</u>
Segment liabilities	13,005	505	13,510
Tax liabilities	660	180	840
Borrowings	848	-	848
Total liabilities	<u>14,513</u>	<u>685</u>	<u>15,198</u>
<i>Other segment items</i>			
Capital expenditure	12,368	8	12,376
Depreciation of investment properties and property, plant and equipment	<u>1,641</u>	<u>49</u>	<u>1,690</u>

Segment revenue from external customers based on location of customers for each customer-based geographical information is as follows:

	2015	2014
	\$'000	\$'000
Singapore	58,624	71,026
Malaysia	11,384	16,399
Other South East Asia countries	9,954	25,119
Other countries	4,424	4,745
	<u>84,386</u>	<u>117,289</u>

Business Information

	Steel products Trading	General Hardware	Property Investment	Total
	\$'000	\$'000	\$'000	\$'000
2015				
Revenue				
External Sales	<u>76,215</u>	<u>7,440</u>	<u>731</u>	<u>84,386</u>
Total assets	<u>150,502</u>	<u>7,059</u>	<u>35,841</u>	<u>193,402</u>
Capital expenditure	<u>106</u>	<u>93</u>	<u>8,038</u>	<u>8,237</u>
Total assets include the following:				
Non-current assets	<u>44,051</u>	<u>381</u>	<u>34,130</u>	<u>78,562</u>
2014				
Revenue				
External Sales	<u>109,536</u>	<u>7,032</u>	<u>721</u>	<u>117,289</u>
Total assets	<u>182,147</u>	<u>6,892</u>	<u>27,084</u>	<u>216,123</u>
Capital expenditure	<u>87</u>	<u>212</u>	<u>12,077</u>	<u>12,376</u>
Total assets include the following:				
Non-current assets	<u>47,723</u>	<u>358</u>	<u>25,542</u>	<u>73,623</u>

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Not applicable.

16. A breakdown of sales

	Current financial year Group \$'000	Previous financial year Group \$'000	% increase/ (decrease) Group
Sales reported in first half year	45,950	63,962	(28%)
Total profit	1,218	1,773	(31%)
Sales reported in second half year	38,436	53,327	(28%)
Total (loss)/profit	(9,169)	1,778	(616%)

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	Latest Full Year (\$'000)	Previous Full Year (\$'000)
Ordinary	6,167	6,168
Total:	6,167	6,168

18. Aggregate value of interested person transactions entered into by the Company and/or its subsidiaries during the year.

There were no interested person transactions during the year under review.

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there is no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family Relationship with any director, chief executive officer and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Mr Lim Kim San, Joe	55	<p>Brother of: Mr Lim Kim Thor (Chief Executive Officer and Substantial Shareholder) Mr Lim Eng Chong (Director and Substantial Shareholder) Dr Lim Kim Hock (Substantial Shareholder)</p> <p>Cousin of: Mr Lim Yee Kim (Substantial Shareholder) Mdm Pey Choi (wife of Mr Lim Yee Kim. Mdm Pey Choi is also a Substantial Shareholder)</p> <p>Uncle of: Mr Lim Boh Chuan (Deputy Managing Director and Substantial Shareholder) Dr Lim Puay Koon (Director and Substantial Shareholder) Mr Lim Beo Peng (Director) Ms Lim Lay Tin Mr Lim Han Leong, Joseph</p>	Executive Director of Thong Seng Metal Pte Ltd since 1993. He is responsible for overall operation of Thong Seng Metal Pte Ltd. Director of Hoe Seng Huat Pte Ltd since 2003.	NA
Mr Teo Boon Dat	56	<p>Cousin of: Dr Lim Kim Hock Mr Lim Kim Thor Mr Lim Eng Chong Mr. Lim Kim San</p>	Sales Manager of the Hupsteel Limited since December 2001. He is responsible for sales in local markets.	NA
Ms Lim Lay Tin	52	<p>Sister of: Mr Lim Beo Peng</p> <p>Cousin of: Mr Lim Boh Chuan Dr Lim Puay Koon</p> <p>Niece of: Mr Lim Yee Kim Dr Lim Kim Hock Mr Lim Kim Thor Mr Lim Eng Chong Mr Lim Kim San</p>	Deputy Sales Manager of Hupsteel Limited from March 2005. She is responsible for sales in local market.	NA
Mr Lim Han Leong, Joseph	50	<p>Brother of: Mr Lim Beo Peng</p> <p>Cousin of: Mr Lim Boh Chuan Dr Lim Puay Koon</p> <p>Nephew of:</p>	Sales Manager of Hoe Seng Huat Pte Ltd from July 2010. He is responsible for sales in local markets.	NA

		Dr Lim Kim Hock Mr Lim Yee Kim Mr Lim Kim Thor Mr Lim Eng Chong Mr Lim Kim San		
Mr Lim Boh Wee	26	Son of: Mr Lim Kim Thor Cousin of: Mr Lim Boh Chuan Dr Lim Puay Koon Mr Lim Beo Peng Nephew of: Dr Lim Kim Hock Mr Lim Yee Kim Mr Lim Eng Chong Mr Lim Kim San	Assistant Sales Manager of Hupsteel Limited from September 2014. He is responsible for sales in local market.	NA

BY ORDER OF THE BOARD

Low Geok Eng, Susie
Company Secretary
26 August 2015