

HUPSteel Limited 4QFY18 & 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 30.6.18	3 months ended 30.6.17	% +(-)	12 months ended 30.6.18	12 months ended 30.6.17	% +(-)
Revenue and rental income	18,767	14,020	34%	60,763	49,644	22%
Changes in inventories*	5,726	3,064	87%	4,237	(1,602)	NM
Purchases of inventories	(20,016)	(13,462)	49%	(49,971)	(34,644)	44%
Gross profit	4,477	3,622	24%	15,029	13,398	12%
Other (losses)/gains	(34)	(101)	-66%	2,086	(435)	NM
Other operating income	326	345	-6%	1,115	1,351	-17%
Staff cost	(2,194)	(1,503)	46%	(7,397)	(6,624)	12%
Depreciation	(480)	(506)	-5%	(1,922)	(2,011)	-4%
Other operating expenses	(1,211)	(1,678)	-28%	(4,469)	(4,929)	-9%
Finance cost - net	-	28	-100%	-	(1)	-100%
Profit before tax	884	207	327%	4,442	749	493%
Income tax (expense)/credit	431	(24)	NM	217	(29)	NM
Total profit	1,315	183	619%	4,659	720	547%
Other comprehensive income:						
Currency translation differences arising from consolidation	(335)	40	NM	144	(124)	NM
Available-for-sale financial assets						
- Fair value (losses)/gains	(115)	35	NM	(782)	473	NM
- Reclassification	(18)	(30)	-40%	(10)	22	NM
Total comprehensive income	847	228	271%	4,011	1,091	268%
Profit attributable to Equity holders of the Company	1,315	183	619%	4,659	720	547%
Total comprehensive income attributable to Equity holders of the Company	847	228	271%	4,011	1,091	268%
Earnings per share based on profit attributable to equity shareholders:						
- Basic (cent)	1.08	0.15		3.81	0.59	
- Diluted (cent)	1.08	0.15		3.81	0.59	

Note - *: Included provision for inventory write-down of \$742K in 4QFY18
NM: not meaningful

Profit attributable to shareholders is arrived at after charging the following:

	GROUP (S\$'000)			
	3 months ended 30.6.18	3 months ended 30.6.17	12 months ended 30.6.18	12 months ended 30.6.17
Dividend income	190	108	435	264
Interest income	128	241	577	1,012
Reclassification from other comprehensive income on disposal of available-for-sale financial assets	18	30	10	(22)
Impairment of available-for-sale financial assets	(143)	(194)	(143)	(194)
Impairment of investment in club membership	-	(36)	-	(36)
Gain on disposal of investment property	-	-	4,515	-
Investment property written off (Fixed assets W/O due to re-development of an investment property)	-	-	(2,185)	-
Gain/(loss) on disposal of plant and equipment	-	1	(5)	1
Foreign exchange gain/(loss)	94	(77)	(108)	(359)
Finance cost-net is made up of :				
Interest expense	-	#	-	(1)
Foreign exchange gain arising from borrowings - trust receipts	-	28	-	-
Fair value gain on derivative financial instruments not qualifying as hedges	11	108	11	108
(Allowance)/write back of allowance for trade receivables	(65)	(605)	661	(170)
Bad debts (written off)/recovered	(108)	1	(108)	29
Provision for stock obsolescence and write-down	(442)	(30)	(742)	(30)

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	
	30.06.2018 \$'000	30.06.2017 \$'000	30.06.2018 \$'000	30.06.2017 \$'000
Current Assets				
Cash and cash equivalents	45,995	52,555	7,093	13,337
Trade and other receivables	21,043	16,447	7,203	5,671
Inventories	32,263	28,026	15,375	13,354
Other current assets	302	193	62	87
Tax recoverable	67	54	-	-
Derivative financial instruments	-	108	-	108
Due from subsidiaries	-	-	8,363	5,678
	99,670	97,383	38,096	38,235
Non-current asset classified as held-for-sale	-	650	-	650
	99,670	98,033	38,096	38,885
Non-Current Assets				
Available-for-sale financial assets	20,577	20,827	20,577	20,827
Investment in club membership	-	-	-	-
Investment in subsidiaries	-	-	9,457	9,457
Loan to a subsidiary	-	-	29,499	29,369
Property, plant and equipment	19,181	20,207	89	114
Investment properties	32,053	33,690	27,155	26,868
Deferred income tax assets	60	15	-	-
	71,871	74,739	86,777	86,635
Total Assets	171,541	172,772	124,873	125,520
Current Liabilities				
Trade and other payables	6,565	6,476	3,734	3,868
Derivative financial instruments	218	-	218	-
Due to a subsidiary	-	-	1,153	1,177
Provision for directors' retirement gratuity	75	56	75	56
Borrowings	558	140	558	140
	7,416	6,672	5,738	5,241
Non-Current Liabilities				
Deferred income tax liabilities	74	254	-	-
Provision for directors' retirement gratuity	25	598	25	598
	99	852	25	598
Total Liabilities	7,515	7,524	5,763	5,839
Net Assets	164,026	165,248	119,110	119,681
Share capital and reserves				
Share capital	107,485	107,485	107,485	107,485
Treasury shares	(3,389)	(3,038)	(3,389)	(3,038)
Capital reserves	(477)	(477)	1,430	1,430
Currency translation reserves	(1,557)	(1,701)	-	-
Fair value reserves	(278)	514	(278)	514
Retained profits	62,242	62,465	13,862	13,290
	164,026	165,248	119,110	119,681

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

Amount repayable in one year or less, or on demand

As at 30.6.2018 ('000)		As at 30.6.2017 (\$'000)	
Secured	Unsecured	Secured	Unsecured
-	558	-	140

Amount repayable after one year

As at 30.6.2018 ('000)		As at 30.6.2017 ('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 FY18	4Q FY17	1.7.17 - 30.6.18	1.7.16 - 30.6.17
Cash flow from operating activities				
Total profit	1,315	183	4,659	720
Adjustments for:				
- Income tax expense	(431)	24	(217)	29
- Property, plant and equipment and investment properties				
- Depreciation	480	506	1,922	2,011
- Net gain on disposal	-	(1)	(4,510)	(1)
- Written off	-	-	2,185	-
- Available-for-sale financial assets				
- Reclassification from other comprehensive income on disposal	(18)	(30)	(10)	22
- Impairment	143	194	143	194
- Impairment of club membership	-	36	-	36
- Interest income	(128)	(241)	(577)	(1,012)
- Interest expense	-	#	-	1
- Translation (gains)/losses	(77)	7	(77)	7
- Dividend income	(190)	(108)	(435)	(264)
	1,094	570	3,083	1,743
Change in working capital				
- Inventories	(5,726)	835	(4,237)	1,602
-Trade and other receivables	(865)	(7,229)	(4,690)	(2,563)
-Derivative financial instruments	326	(9)	326	(9)
-Other current assets	(66)	101	(109)	211
-Trade and other payables	2,702	3,210	93	(707)
-Provision for directors' retirement gratuity	11	11	(554)	31
Cash (used in)/generated from operations	(2,524)	(2,511)	(6,088)	308
Income taxes (paid)/refunded	(42)	4	(26)	27
Interest received	232	293	681	1,064
Net cash (used in)/generated from operating activities	(2,334)	(2,214)	(5,433)	1,399
Cash flows from investing activities				
Property, plant and equipment and investment properties				
- Purchases	(196)	(85)	(1,394)	(199)
- Proceeds from disposal	4	7	5,170	7
Financial assets, available-for-sale				
- Purchases	(833)	(762)	(9,861)	(5,623)
- Proceeds from disposal	663	402	9,093	5,427
Dividends received	181	108	426	264
Net cash from/(used in) investing activities	(181)	(330)	3,434	(124)
Cash flows from financing activities				
Purchase of treasury shares	-	(242)	(351)	(540)
Proceeds from trust receipts	557	1,900	4,260	6,208
Repayment of trust receipts	(261)	(1,930)	(3,843)	(6,652)
Dividend paid to shareholders	-	-	(4,882)	(1,228)
Interest paid	#	#	#	(1)
Net cash used in financing activities	296	(272)	(4,816)	(2,213)
Net decrease in cash and cash equivalents	(2,219)	(2,816)	(6,815)	(938)
Cash and cash equivalents at beginning of the financial period	48,438	55,328	52,555	53,614
Effects of currency translation on cash and cash equivalents	(224)	43	255	(121)
Cash and cash equivalents at end of the financial period	45,995	52,555	45,995	52,555

Amount is less than S\$1,000.

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 2017	107,485	(3,038)	(477)	(1,701)	514	62,465	165,248
Purchase of treasury shares	-	(351)	-	-	-	-	(351)
Dividend paid	-	-	-	-	-	(4,882)	(4,882)
Total comprehensive income/(loss)	-	-	-	144	(792)	4,659	4,011
At 30 June 2018	107,485	(3,389)	(477)	(1,557)	(278)	62,242	164,026
Group							
At 1 July 2016	107,485	(2,498)	(477)	(1,577)	19	62,973	165,925
Purchase of treasury shares	-	(540)	-	-	-	-	(540)
Dividend paid	-	-	-	-	-	(1,228)	(1,228)
Total comprehensive (loss)/income	-	-	-	(124)	495	720	1,091
At 30 June 2017	107,485	(3,038)	(477)	(1,701)	514	62,465	165,248

	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 2017	107,485	(3,038)	1,430	-	514	13,290	119,681
Purchase of treasury shares	-	(351)	-	-	-	-	(351)
Dividend paid	-	-	-	-	-	(4,882)	(4,882)
Total comprehensive (loss)/income	-	-	-	-	(792)	5,454	4,662
At 30 June 2018	107,485	(3,389)	1,430	-	(278)	13,862	119,110
Company							
At 1 July 2016	107,485	(2,498)	1,430	-	19	15,440	121,876
Purchase of treasury shares	-	(540)	-	-	-	-	(540)
Dividend paid	-	-	-	-	-	(1,228)	(1,228)
Total comprehensive income/(loss)	-	-	-	-	495	(922)	(427)
At 30 June 2017	107,485	(3,038)	1,430	-	514	13,290	119,681

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 2017	2,988,000	3,038
Purchases	441,100	351
Balance as at 30 Jun 2018	3,429,100	3,389

(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.

	30.06.18	30.06.17
Number of shares in issue excluding treasury shares	122,045,014	122,486,114

(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at 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.

(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at 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 have been applied.

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 30.06.18 (note 1)	3 months ended 30.06.17	12 months ended 30.06.18 (note 1)	12 months ended 30.06.17
Earnings per share based on profit attributable to equity shareholders:				
(a) Basic (cent)	1.08	0.15	3.81	0.59
(b) Diluted (cent)	1.08	0.15	3.81	0.59

Note 1 : The basic and diluted earnings per share is calculated based on the weighted average number of ordinary shares of 122,265,564 (30.06.17: 122,920,814) in issue during the period.

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	
	30.06.18	30.06.17	30.06.18	30.06.17
Net Asset Value per ordinary share (cents)	134.40	134.91	97.60	97.71

The net asset value per ordinary share is calculated based on the number of ordinary shares in issue of 122,045,014 at the end of the period (30.06.17: 122,486,114).

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				
	4QFY18	3QFY18	4QFY17	12MFY18	12MFY17
Revenue	18,767	18,914	14,020	60,763	49,644
Gross Profit	4,477	4,297	3,622	15,029	13,398
GP %	23.9%	22.7%	25.8%	24.7%	27.0%

Revenue for 4QFY18 rose 34% to \$18.7M from \$14.0M reported for 4QFY17 and remained comparable with \$18.9M reported for 3QFY18. Recovery in oil prices in the first half of calendar year 2018 had helped to stimulate demand for steel products which led to higher spot and project sale of pipes, fittings and structural steel products in the last 2 quarters.

For the financial year ended 30 June 2018 ('12MFY18'), the reported revenue was \$60.7M, an increase of 22% from \$49.6M for the last corresponding year ('12MFY17'). The higher revenue reported was due to picking up in customers' activities mainly from the oil & gas sector.

Gross profit for 4QFY18 increased to \$4.5M from \$3.6M (4QFY17) and \$4.3M (3QFY18) mainly due to improved sales volume. For 12MFY18, the improved market conditions enabled it to generate gross profits of \$15.0M compared to \$13.4M for 12MFY17.

As there were more project sales in 12MFY18, gross margin dipped to 24.7% from 27.0% (12MFY17). Gross margin of 23.9% for 4QFY18 was comparable with 22.7% achieved in 3QFY18.

Other (losses)/gains

Other losses of \$34K and \$101K posted for 4QFY18 and 4QFY17 respectively were mainly attributable to the impairment losses on available-for-sale financial assets. The current year's other gains of \$2.1M (FY17: \$0.4M losses) was largely due to gain on disposal of an investment property amounting to \$4.5M being offset by the write-off of another investment property amounting to \$2.2M as a result of re-development. Included in other losses of FY18 were also unrealised foreign exchange translation loss amounting to \$0.1M (FY17: \$0.4M) arising from the translation of foreign currency denominated debt, available-for-sale financial assets and foreign currency denominated payables.

Other operating income

Other operating income for 4QFY18 of \$326K (4QFY17: \$345K) and FY18 of \$1.1M (FY17: \$1.4M) consisting mainly of dividend and interest income.

Expenses

Staff cost, Depreciation, Other operating expenses & Finance cost

Staff cost in 4QFY18 and FY18 increased to \$2.2M and \$7.4M from \$1.5M and \$6.6M in 4QFY17 and FY17 respectively as the Group made higher provisions for staff incentives and profit sharing in tandem with the increased profits.

Depreciation charge for FY18 of \$1.9M (FY17: \$2.0M) remained stable as there was no major additions of fixed assets.

Despite a higher sales volume, the Group incurred lower other operating expenses of \$1.2M in 4QFY18 (4QFY17: \$1.7M). This was mainly due to lesser allowance for doubtful debts of \$65K compared with \$0.7M taken up for 4QFY17 and the Group's ongoing cost saving measures.

The Group incurred negligible finance cost in 4QFY18 (4QFY17: \$28K in exchange gain arising from borrowings and insignificant interest expenses). The Group pays off its debts as and when they fall due so as to minimise finance cost.

Profit attributable to equity holders of the Company

With the gain from the disposal of an investment property, improved demand for steel products and expected tax credits, the Group reported net profit after tax of \$1.3M and \$4.7M for 4QFY18 and FY18 (4QFY17: \$0.2M and FY17: \$0.7M) respectively.

REVIEW OF FINANCIAL POSITION AS AT 30 JUNE 2018

Current assets and current liabilities

Trade and other receivables were slightly higher at \$21.0M (4QFY17: \$16.4M) in tandem with the higher sales achieved during the last 2 quarters of the financial year.

Inventory balance at \$32.2M was also higher than last year's balance of \$28.0M as a result of inventory replenishment in response to the improving demand.

Trade & other payables increased slightly to \$6.6M from \$6.5M. Borrowings as at 4QFY18 increased from \$140K (4QFY17) to \$558K. Both increases were due to higher purchases of inventories.

The Group continued to maintain a healthy current ratio of 13.4 times (FY17: 14.7 times).

Non current assets

Available-for-sale financial assets decreased slightly in value to \$20.6M (FY17: \$20.8M) as bond prices had weakened as a result of rising interest rates.

Share capital and reserves

During the year, Fair Value Reserve decreased to \$278K debit balance (FY17: \$514K credit balance) due to decline in the market values of the Group's available-for-sale financial assets.

Cash flow

For FY18, net cash used in operating activities and financing activities were \$5.4M (FY17: \$1.4M inflow) and \$4.8M (FY17: \$2.2M outflow) respectively while net cash from investing activities was \$3.4M (FY17: \$0.1M outflow). These had resulted in a decrease of \$6.8M in cash & cash equivalents (FY17: \$0.9M). As at 30 June 2018, the Group's cash holding was \$46.0M compared to \$52.6M as at 30 June 2017.

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

As oil prices rose and stabilised during the first half of calendar year 2018, it helped to stimulate a slight recovery in the demand for steel products. However, this recovery is highly sensitive to and easily weakened by ongoing geopolitical and macro economic developments.

One of the macro economic developments is the raging trade war between US and many of its trading partners. The uncertainties arising from trade negotiations and tariff imposition on each other will likely hamper global and local economic growth. Together with stronger US dollar, profitability of the Group will face increasing pressure in the near term.

The Group will continue to adjust its purchasing pattern in response to the challenging market conditions while serving customers' needs on a timely manner.

The Group will also closely monitor the property market after the government imposed cooling measures on it recently. It will look out for opportunities for its properties that it is holding and timely announcements, if any, will be made to inform the shareholders. We have begun to re-develop the property located at 38 Genting Lane as announced earlier (*SG1712050THRWL1K dated 5th Dec 2017*).

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	Special	Interim (paid on 14/03/18)
Dividend Type	Cash	Cash	Cash
Dividend Amount per share	1.0 cent	1.0 cent	2.0 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	Special
Dividend Type	Cash	Cash
Dividend Amount per share	1.0 cent	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. There were no interested person transactions during the year under review.

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

Segment Information

	← Singapore →			Malaysia	
	Steel product Trading	General Hardware	Property Investment	Steel product Trading	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial year ended 30 June 2018					
Total revenue and rental income	43,994	6,353	3,822	12,045	66,214
Inter-segment sales	(2,619)	(2)	(2,795)	(35)	(5,451)
External sales and rental income	<u>41,375</u>	<u>6,351</u>	<u>1,027</u>	<u>12,010</u>	<u>60,763</u>
Segment results	798	646	2,164	255	3,863
Interest income					579
Income tax expense					217
Profit after tax					<u>4,659</u>
Segment results include the following items:					
Provision for inventory write-down	(742)	-	-	-	(742)
Allowance for trade receivables	<u>1,291</u>	<u>-</u>	<u>-</u>	<u>(594)</u>	<u>697</u>
Segment assets	117,490	9,872	33,666	10,386	171,414
Tax assets					127
Total assets					<u>171,541</u>
Segment liabilities	5,767	975	62	637	7,441
Tax liabilities					74
Total liabilities					<u>7,515</u>
Other segment items					
Capital expenditure	231	91	1,052	20	1,394
Depreciation of investment properties and property, plant and equipment	<u>499</u>	<u>74</u>	<u>1,326</u>	<u>23</u>	<u>1,922</u>

	← Singapore →			Malaysia	
	Steel product Trading	General Hardware	Property Investment	Steel product Trading	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial year ended 30 June 2017					
Total revenue and rental income	40,623	6,712	3,418	3,508	54,261
Inter-segment sales	(1,715)	(1)	(2,844)	(57)	(4,617)
External sales and rental income	<u>38,908</u>	<u>6,711</u>	<u>574</u>	<u>3,451</u>	<u>49,644</u>
Segment results	(580)	819	14	(516)	(263)
Interest income					1,012
Income tax expense					(29)
Profit after tax					<u>720</u>
Segment results include the following items:					
Provision for inventory write-down	(9)	(17)	-	(4)	(30)
Allowance for trade receivables	45	-	8	(223)	(170)
Segment assets	118,729	8,986	36,471	8,517	172,703
Tax assets					69
Total assets					<u>172,772</u>
Segment liabilities	6,006	781	46	297	7,130
Borrowings					140
Tax liabilities					254
Total liabilities					<u>7,524</u>
Other segment items					
Capital expenditure	198	-	-	1	199
Depreciation of investment properties and property, plant and equipment	<u>1,353</u>	<u>77</u>	<u>547</u>	<u>34</u>	<u>2,011</u>

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

	2018	2017
	\$'000	\$'000
Singapore	36,700	34,520
Malaysia	16,187	8,585
Indonesia	1,986	1,501
Other South East Asia countries	1,635	1,700
Other countries	<u>4,255</u>	<u>3,338</u>
	<u>60,763</u>	<u>49,644</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
Revenue and rental income reported in first half year	23,082	24,138	(4%)
Total profit	2,586	294	780%
Revenue and rental income reported in second half year	37,681	25,506	48%
Total profit	2,073	426	387%

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	4,882	1,228
Total:	4,882	1,228

18. Confirmation that the issuer has procured undertakings from all its directors and executive officers pursuant to Rule 720(1) of the SGX Listing Manual.

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX Listing Manual.

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	59	<p>Brother of: Mr Lim Kim Thor (Executive Director 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 (CEO and Substantial Shareholder) Dr Lim Puay Koon (Director and Substantial Shareholder) Mr Lim Beo Peng (Deputy Managing 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 Lim Han Leong, Joseph	54	<p>Brother of: Mr Lim Beo Peng</p> <p>Cousin of: Mr Lim Boh Chuan Dr Lim Puay Koon</p> <p>Nephew of: Dr Lim Kim Hock Mr Lim Yee Kim Mr Lim Kim Thor Mr Lim Eng Chong Mr Lim Kim San</p>	Appointed as an Executive Director of Hoe Seng Huat Pte Ltd on 27 Feb 2017.	Upon appointment as Executive Director of Hoe Seng Huat Pte Ltd, he assists the CEO & Deputy MD to manage the operation of Hoe Seng Huat Pte Ltd. He was the Sales Manager of Hoe Seng Huat Pte Ltd since July 2010.
Mr Teo Boon Dat	59	<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	55	<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>	Sales Manager of Hupsteel Limited from December 2017. She is responsible for sales in local market.	NA
Mr Lim Boh Wee	30	<p>Son of: Mr Lim Kim Thor</p> <p>Cousin of: Mr Lim Boh Chuan Dr Lim Puay Koon Mr Lim Beo Peng</p> <p>Nephew of: Dr Lim Kim Hock Mr Lim Yee Kim Mr Lim Eng Chong Mr Lim Kim San</p>	Deputy Sales Manager of Hupsteel Limited from December 2017. He is responsible for the general management of sales and procurement within the oil and gas division.	Appointed as a Deputy Sales Manager in December 2017 and will act as the deputy to the Executive Director in charge of the Oil & Gas Division.

BY ORDER OF THE BOARD

Tan Ching Chek
Company Secretary
28 August 2018