



**UNION STEEL HOLDINGS LIMITED**  
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## MEDIA RELEASE

### Union Steel reports \$0.8 million net profit for 1Q2015 on higher revenue

Y/E 30 June (S\$ million)	1Q2015	1Q2014	YOY % Chg
Revenue	43.2	24.1	79.1
Cost of sales	(39.3)	(22.0)	78.8
Gross Profit	3.9	2.1	81.9
Gross Margin	9.0%	8.8%	+0.2ppts
Profit Before Tax	1.0	0.2	308.2
Net Profit	0.8	0.2	269.5
Attributable Net Profit	0.8	0.1	NM
Earnings Per Share (cents)*	0.21	0.02	
Net Asset Value Per Share (cents)^	23.08	21.29	

+ Based on weighted average number of 393,781,089 ordinary shares in issue for the financial period ended 30 Sep 2014 (30 Sep 2013: 393,781,089).

**13 November 2014** – SGX-ST Mainboard listed **Union Steel Holdings Limited**, 友联钢铁控股有限公司 (“Union Steel” or “the Group”), one of the largest metal recycling companies in Singapore, has reported a net profit of \$0.8 million for the first three months ended 30 September 2014 (“1Q2015”), compared to \$0.2 million in 1Q2014, on the back of a 79.1% increase in revenue from \$24.1 million in 1Q2014 to \$43.2 million in 1Q2015.

#### 1Q2015 Performance

Revenue grew by \$19.1 million mainly due to increased revenue from the Group’s recycling and trading business segments, and contributions from the Malaysia entity which was established during FY2014. Gross profit margin remained consistent at approximately 9.0%, compared with 8.8% in 1Q2014. Gross profit was \$1.7 million higher at \$3.9 million in 1Q2015. Net profit was \$0.8 million for the quarter, compared to \$0.2 million in 1Q2014.

#### Financial Position

Shareholders’ equity stood at \$90.9 million as at 30 September 2014, \$0.8 million higher than at the end of the immediate preceding financial year, due to positive financial performance in 1Q2015. Inventories decreased by \$6.8 million to \$36.3 million due to the paring down of orders in view of the negative price trend for steel, as well as increased order

fulfilment. Trade and other payables were \$2.1 million lower at \$7.3 million as the Group made payments to vendors. Bills paid also contributed to bank loans and bills payable reducing from \$62.8 million to \$56.0 million. Net asset value per share stood at 23.08 cents as at 30 September 2014.

## Cash Flow

Net cash generated from operating activities was \$8.0 million due to profitable operations from the recycling and scaffolding business segments. Net cash used in investing activities was \$1.1 million mainly for the purchase of equipment, steel, and scaffolding rental material. Net cash used in financing activities was \$6.7 million mainly for the repayment of bills payable.

## Outlook

The Group sees minimal improvement in its operating environment, with demand continuing to be weak and steel prices staying muted. Under these circumstances, the Group will stay vigilant in managing stock levels and exercise prudence in its capital management and expenditure.

***“We expect FY2015 to be no less challenging, with no let-up in competitive forces, and weak demand for steel products. We continue to tighten our belts and strive to extract maximum value from our operating assets. We will also continue to seek opportunities for expansion either organically or through acquisitions.”***

**- Mr. Ang Yu Seng (洪友成), Executive Chairman and Chief Executive Officer**

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## About Union Steel Holdings Limited ([www.unionsteel.com.sg](http://www.unionsteel.com.sg))

Founded in 1984 and listed on SGX-ST Mainboard in August 2005, Union Steel Holdings Limited is a one-stop supply centre for recycled metals. The Group is principally engaged in the recycling of ferrous and non-ferrous scrap metals, the trading of steel products and the provision of other services, comprising waste collection and management, demolition works, rental of steel plates and car scrapping. The Group believes that it is currently one of the largest metals recycling companies in Singapore in terms of volume of metals recycled.

The Group serves a wide customer base of over 500 customers, spanning across countries such as China, India, Indonesia, Japan, Malaysia and Singapore. The Group intends to seek expansion opportunities within both its existing and potential markets via possible acquisitions and joint ventures.

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