

**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES  
(OFFERS OF INVESTMENTS) (SHARES AND DEBENTURES)  
REGULATIONS 2005**

**OFFER INFORMATION STATEMENT DATED 18 JULY 2007**

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This document is important. If you are in any doubt as to the action you should take, you should consult your legal, financial, tax, or other professional adviser.

A copy of this offer information statement (the **Offer Information Statement**) has been lodged with the Monetary Authority of Singapore (the **Authority**). The Authority assumes no responsibility for the contents of this Offer Information Statement. Lodgement of this Offer Information Statement with the Authority does not imply that the Securities and Futures Act (Chapter 289 of Singapore), or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of the securities being offered for investment.

An application has been made to the Singapore Exchange Securities Trading Limited (**SGX-ST**) for permission to deal in and for quotation of up to 49,500,000 new ordinary shares in the capital of HUPSteel Limited at an issue price of S\$0.555 each.

No securities shall be allotted or allocated on the basis of this Offer Information Statement later than six (6) months after the date of lodgement of this Offer Information Statement.

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**HUPSteel Limited**

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 197301452D)

**PROPOSED PLACEMENT OF UP TO 49,500,000 NEW SHARES IN THE CAPITAL OF HUPSTEEL LIMITED AT AN ISSUE PRICE OF S\$0.555 EACH (THE "PLACEMENT").**

Manager



**OMEGA CAPITAL LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 200000713E)

**DATE OF LODGEMENT WITH THE AUTHORITY: 18 July 2007**

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## PART I: DEFINITIONS

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In this Offer Information Statement, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated: -

<b>CDP</b>	: The Central Depository (Pte) Limited;
<b>Code</b>	: The Singapore Code on Take-overs and Mergers;
<b>Companies Act</b>	: The Companies Act, Cap. 50 of Singapore, as amended or modified from time to time;
<b>Company</b>	: HUPSteel Limited;
<b>Directors</b>	: Directors of the Company as at the date of this Offer Information Statement;
<b>FY</b>	: Financial year ended or ending 30 June or 31 July (as the case may be);
<b>Group</b>	: The Company and its subsidiaries from time to time;
<b>Latest Practicable Date</b>	: 16 July 2007, being the last practicable date prior to the lodgement of this Offer Information Statement;
<b>Listing Manual</b>	: The listing manual of the SGX-ST, as amended or modified from time to time;
<b>Manager</b>	: Omega Capital Limited
<b>Market Day</b>	: A day on which the SGX-ST is open for trading securities;
<b>NTA</b>	: Net tangible assets;
<b>Offer Information Statement</b>	: This document issued by the Company in connection with the Placement, including, where the context admits, any supplementary and any replacement document which may be issued by the Company in connection with the Placement;
<b>Placement</b>	: The proposed placement of the Placement Shares by the Company pursuant to the Subscription Agreements. The mandate for the proposed placement of the Placement Shares was obtained from Shareholders of the Company at the annual general meeting of the Company held on 26 October 2006;
<b>Placement Price</b>	: The issue price of S\$0.555 per Placement Share;
<b>Placement Shares</b>	: 49,500,000 new Shares in aggregate being acquired by the Subscribers pursuant to the Subscription Agreements;
<b>Q3</b>	: Financial period ended or ending 31 March (as the case may be);
<b>RM</b>	: Malaysian Ringgit
<b>Securities And Future Act</b>	: Securities and Futures Act, Cap. 289 of Singapore as amended or modified from time to time;
<b>SGX-ST</b>	: Singapore Exchange Securities Trading Limited;
<b>Shareholders</b>	: Registered holders of Shares in the Register of Members of the Company or, where CDP is the registered holder, the term

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## PART I: DEFINITIONS

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**Shareholders** shall in relation to such Shares, mean the Depositors who have Shares entered against their names in the Depository Register;

- Shares** : Ordinary shares in the capital of the Company;
- Subscribers** : Persons who have entered into the Subscription Agreements with the Company to subscribe for the Placement Shares as set out in paragraph 3 of Part III of this Offer Information Statement;
- Subscription Agreements** : The subscription agreements made between the Company and the Subscribers in relation to the Placement Shares;
- Subsidiary** : The meaning ascribed to it in section 5 of the Companies Act;
- cents** : Singapore cents;
- S\$** : Singapore dollars; and
- US\$** : United States dollars
- % or per cent** : Per centum or percentage.

### Other Corporations or Agencies

- MAS or Authority** : The Monetary Authority of Singapore; and
- SGX-ST or Exchange** : Singapore Exchange Securities Trading Limited.

The terms **Depositor**, **Depository Agent** and **Depository Register** shall have the same meanings ascribed to them respectively in Section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference to a time of day in this Offer Information Statement shall be a reference to Singapore time unless otherwise stated.

Any term defined under the Companies Act, the Securities and Futures Act or the SGX-ST's Listing Manual or any statutory or regulatory modification thereof and used in this Offer Information Statement shall, where applicable, have the meaning ascribed to it under the Companies Act, the Securities and Futures Act, the SGX-ST's Listing Manual or such statutory or regulatory modification thereof, as the case may be, unless otherwise provided.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Any discrepancy in the figures included in this Offer Information Statement between the amounts listed and totals thereof is due to rounding. Accordingly, figures shown as totals in this Offer Information Statement may not be an arithmetic aggregation of the figures that precede them.

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## IMPORTANT NOTES

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If you wish to subscribe for the Placement Shares, you should, before deciding whether to so subscribe, read this Offer Information Statement carefully in its entirety so as to make an informed assessment of the assets and liabilities, profits and losses, financial position, and performance and prospects of the Company and the Group and the rights and liabilities attaching to the Placement and the Placement Shares. You should also make your own independent enquiries and investigations of any assumptions, upon which financial projections, if any, are based; and carefully consider this Offer Information Statement in light of your personal circumstances (including financial and taxation affairs). It is recommended that you seek professional advice from your accountant, stockbroker, bank manager, lawyer or other professional adviser before deciding on whether to acquire the Placement Shares or invest in the Company.

No person is authorised to give any information or to make any representation not contained in this Offer Information Statement and any information or representation not so contained must not be relied upon as having been authorised by or made on behalf of the Company. Neither the delivery of this Offer Information Statement, nor any offer of or the issue of the Placement Shares shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change or development reasonably likely to involve a material change in the affairs, conditions and prospects of the Company, any of the Group's subsidiaries or any of the Group's securities since the date of this Offer Information Statement. No representation, warranty or covenant, expressed or implied, is made by the Company or any of its Directors, officers, employees, agents, representatives or advisers as to the accuracy or completeness of the information contained in this Offer Information Statement, and nothing contained in this Offer Information Statement is, or shall be relied upon as, a promise, representation or covenant by the Company or their respective affiliates, directors, officers, employees, agents, representatives or advisers.

Neither the Company nor any of the Company's directors, officers, employees, agents, representatives or advisers are making any representation or undertaking to any person regarding the legality of an investment in the Placement Shares by such person under any investment or any other laws or regulations. No information in this Offer Information Statement should be considered to be business, legal, financial or tax advice. You should be aware that, if you subscribe for the Placement Shares, you may be required to bear the financial risks of such subscription for an indefinite period of time. You should consult your own professional advisor for business, legal, financial or tax advice regarding a subscription for the Placement Shares.

This Offer Information Statement has been prepared solely for the purpose of the subscription of the Placement Shares Issue **in Singapore** and may not be relied upon by any persons (other than the Subscribers to whom it is dispatched by the Company) or for any other purpose.

The distribution of this Offer Information Statement and the offering of or subscription for the Placement Shares in certain jurisdictions may be restricted by law. The Company requires you to inform yourself about and to observe any such restrictions at your own expense and without liability to the Company. This Offer Information Statement may not be used for the purpose of and does not constitute an offer of, or any invitation or solicitations to purchase, any of the Placement Shares in any jurisdiction in which such offer or invitation would be unlawful or unauthorised. You shall not circulate to any other person, reproduce or otherwise distribute this Offer Information Statement or any information in it for any purpose whatsoever or permit or cause the same to occur.

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## CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

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All statements contained in this Offer Information Statement, statements made in press releases and oral statements that may be made by the Company or its Directors, officers or employees acting on its behalf, that are not statements of historical fact, constitute "forward-looking statements". Some of these statements can be identified by words such as, without limitation, "anticipate", "believe", "could", "estimate", "expect", "forecast", "if", "intend", "may", "plan", "possible", "probable", "project", "should", "will" and "would" or other similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group's expected financial position, operating results, business strategies, plans and prospects are forward-looking statements. These forward-looking statements, including but not limited to statements as to the Group's revenue and profitability, prospects, future plans and other matters discussed in this Offer Information Statement regarding matters that are not historical facts, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group's actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements.

Given the risks, uncertainties and other factors that may cause the Group's actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, undue reliance must not be placed on these statements. The Group's actual results, performance or achievements may differ materially from those anticipated in these forward-looking statements. Neither the Company nor any other person represents or warrants that the Group's actual future results, performance or achievements will be as discussed in those statements.

Further, the Company disclaims any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future. Where such developments, events or circumstances occur and are material, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same to the SGX-ST and, if required, lodge a supplementary or replacement document with the Authority.

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**PART II: IDENTITY OF DIRECTORS, ADVISERS AND AGENTS**

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**Directors**

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**1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity.**

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<b>Name</b>	<b>Address</b>	<b>Designation</b>
Tang See Chim	: 23 Victoria Park Road Victoria Park Singapore (266502)	Non-Executive Chairman
Lim Kim Thor	: 17B Butterfly Avenue Singapore (349853)	Chief Executive Officer
Lim Boh Chuan	: 15C Camden Park Camden Park Singapore (299809)	Deputy Managing Director
Lim Yee Kim	: 12 Jalan Belangkas Singapore (369372)	Director
Lim Eng Chong	: 5 Fir Avenue Eden Park Singapore (279695)	Director
Lim Puay Koon	: 14 Bukit Sedap Road Singapore (279914)	Director
Lim Beo Peng	: 10 Jalan Belangkas Singapore (369369)	Director
Ong Kian Min	: 16D Chatsworth Road Singapore (249778)	Director
Lim Chee San	: 44 Shelford Road #05-03 Watten Estate Condominium Singapore (288437)	Director
Chan Kam Loon	: 25 Duchess Road Duke's Garden Singapore (268995)	Director

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**PART II: IDENTITY OF DIRECTORS, ADVISERS AND AGENTS**

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**Advisers**

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- 2. Provide the names and addresses of —**
- (a) the issue manager to the offer, if any;**
  - (b) the underwriter to the offer, if any; and**
  - (c) the legal adviser for or in relation to the offer, if any.**
- 

**Manager** : Omega Capital Limited  
101 Cecil Street  
#13-09/10/11 Tong Eng Building  
Singapore (069533)

**Underwriter** : Not applicable.

**Placement Agent** : Not applicable.

**Legal Adviser to the Placement** : Drew & Napier LLC  
20 Raffles Place  
#17-00 Ocean Towers  
Singapore (048620)

**Registrars and Agents**

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- 3. Provide the names and addresses of the relevant entity's registrars, transfer agents and receiving bankers for the securities being offered, where applicable.**
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**Registrar** : Tricor Barbinder Share Registration Services  
(a division of Tricor Singapore Pte. Ltd.)  
8 Cross Street  
#11-00 PWC Building  
Singapore (048424)

**Transfer agent** : Not applicable.

**Receiving bankers** : Not applicable.

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## PART III: OFFER STATISTICS AND TIMETABLE

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### Offer Statistics

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**1. For each method of offer, state the number of the securities being offered.**

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- Placement : Up to 49,500,000 Placement Shares at an issue price of S\$0.555 per Placement Share representing approximately 10.94% of the issued and paid-up share capital of the Company as at the date of lodgement of this Offer Information Statement.
- Status of Placement Shares : The Placement Shares, when issued and fully paid, will rank *pari passu* in all respects with the existing Shares in the capital of the Company save that they shall not rank for any entitlements, distributions, dividends or rights (if any), the record date in respect of which falls prior to the date of issue of the Placement Shares.

### Method and Timetable

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- 2. Provide the information referred to in paragraphs 3 to 7 of this Part to the extent applicable to —**
- (a) the offer procedure; and
  - (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.
- 

Noted. Please see below.

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- 3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgement of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period shall be made public.**
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The Subscription Agreements dated 11 July 2007, were entered into between the Company and Lehman Brothers Commercial Corporation Asia Limited, Lion Capital Management Limited and UOB Asset Management Limited respectively, pursuant to which the Subscribers agreed to subscribe for an aggregate of 49,500,000 new ordinary shares of the Company at the Placement Price of S\$0.555 for each New Share, for an aggregate consideration of S\$27,472,500, on the terms and subject to the conditions of the Subscription Agreements. The Placement Shares will upon issue, rank *pari passu* in all respect with the ordinary shares in the capital of the Company existing as at the date of their issue.

Completion of the Subscription Agreements is conditional upon, *inter alia*, the following:

- (a) the approval in-principle for the listing and quotation of the Placement Shares on the Official List of the SGX-ST being obtained from the SGX-ST and not having been revoked or amended and, where such approval is subject to conditions, such conditions being acceptable to the Company and, to the extent that any conditions for the listing and quotation of the Placement Shares on the Official List of the SGX-ST are required to be fulfilled on or before the Completion Date, they are so fulfilled; and

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### PART III: OFFER STATISTICS AND TIMETABLE

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- (b) the allotment, issue and subscription of the Placement Shares not being prohibited by any statute, order, rule or regulation promulgated after the date of the Subscription Agreements by any legislative, executive or regulatory body or authority of Singapore.

Pursuant to the Subscription Agreements, completion of the Placement will take place within three (3) Market Days after the date of receipt by the Company of the in-principle approval from the SGX-ST, or such other date after the date of receipt by the Company of the in-principle approval from the SGX-ST as the Company and Lehman Brothers Commercial Corporation Asia Limited, Lion Capital Management Limited and UOB Asset Management Ltd respectively may agree.

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**4. State the method and time limit for paying up for the securities and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.**

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The Subscribers shall pay to the Company the aggregate Placement Price for the Placement Shares by way of cashier's order in favour of the Company or to the Company's bank account (as the case may be). Such payment shall be made no later than three (3) Market Days after the date of receipt by the Company of the in-principle approval from the SGX-ST, or such other date after the date of receipt by the Company of the in-principle approval from the SGX-ST as the Company and Lehman Brothers Commercial Corporation Asia Limited, Lion Capital Management Limited and UOB Asset Management Ltd respectively may agree.

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**5. State, where applicable, the methods of and time limits for —**

- (a) **the delivery of the documents evidencing title to the securities being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**
- (b) **the book-entry transfers of the securities being offered in favour of subscribers or purchasers.**
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No later than three (3) Market Days after the date of receipt by the Company of the in-principle approval from the SGX-ST, or such other date after the date of receipt by the Company of the in-principle approval from the SGX-ST as the Company and Lehman Brothers Commercial Corporation Asia Limited, Lion Capital Management Limited and UOB Asset Management Ltd respectively may agree, the Company shall:

- (i) allot and issue to CDP for the account of the respective Subscriber as notified by that Subscriber to the Company, the Placement Shares;
- (ii) deliver or procure to be delivered to CDP the share certificates for the Placement Shares; and
- (iii) instruct CDP to credit the securities account maintained with the CDP by the Subscriber or the securities account of the depository agent(s) as notified by the Subscriber to the Company (as the case may be) with the Subscription Shares.
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**6. In the case of any pre-emptive rights to subscribe for or purchase the securities being offered, state the procedure for the exercise of any right of preemption, the negotiability of such rights and the treatment of such rights which are not exercised.**

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Not applicable.

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**PART III: OFFER STATISTICS AND TIMETABLE**

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- 7. Provide a full description of the manner in which results of the allotment or allocation of the securities are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).**
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The Company will announce the completion of the Placement on the SGXNET.

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## PART IV: KEY INFORMATION

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### Use of Proceeds from Offer and Expenses Incurred

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1. In the same section, provide the information set out in paragraphs 2 to 7 of this Part.
  2. Disclose the estimated amount of the proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 3 of this Part as the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.
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The estimated net proceeds from the Placement, after deducting expenses of approximately S\$0.5 million incurred in connection with the Placement, are estimated to be S\$27.0 million. All of the net proceeds will be utilised by the Group.

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3. Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses for which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities.
- 

The Company intends to use the net proceeds from the Placement of approximately S\$27.0 million mainly for working capital purposes of the Group. The Company also intends to use some of the net proceeds from the Placement for business expansion purposes and for repaying bank borrowings.

Pending the deployment of the net proceeds for the purposes mentioned above, the net proceeds may be placed as deposits with banks or financial institutions and/or used for investment in short term money market and/or debt instruments, as the Directors may deem appropriate.

In the reasonable opinion of the Directors, no minimum amount must be raised from the Placement.

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4. For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.
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The proportion of the proceeds from the Placement allocated to each principal intended use as set out above, and the estimated amount what will be used to pay for expenses incurred in connection with the Placement is set out below:

Intended uses	Amount (S\$ million)	% of gross proceeds of the Placement
Working capital	19.0	70.4%
Business expansion <sup>(1)</sup>	6.5	24.1%
Retiring bank borrowings	1.0	3.7%
Estimated expenses	0.5	1.8%

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## PART IV: KEY INFORMATION

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Note:

- (1) The management of the Company may transfer the amount of proceed allocated for business expansion for working capital purposes if no firm plan materialises within the next six months from the date of placement.

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- 5. If any of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of an asset other than in the ordinary course of business, briefly describe the asset and state its purchase price. If the asset has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined.**
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Not applicable.

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- 6. If any of the proceeds to be raised by the relevant entity will be used to finance or refinance the acquisition of another business, briefly describe the business and give information on the status of the acquisition.**
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Not applicable.

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- 7. If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.**
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Not applicable.

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- 8. In the section containing the information referred to in paragraphs 2 to 7 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters or other placement or selling agents in relation to the offer and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.**
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The commission payable in relation to the Placement is as follows:

- (i) the Company shall pay to the Manager a subscription commission of one point seven-five per cent (1.75%) of the Placement Price for each Placement Share; and
- (ii) the Subscribers shall each pay to the Manager a subscription commission of up to one per cent (1.0%) of the Placement Price for each Placement Share.

The Placement Price of S\$0.555 per Placement Share represents a 7.52% discount to the volume weighted average price of S\$0.600 for trades done on the SGX-ST on 6 July 2007, which is the full market day prior to the date the Subscription Agreements were signed.

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**PART IV: KEY INFORMATION**

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**Information on the Relevant Entity**

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**9a. the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office);**

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**Registered office:**

Address: : 3 Church Street  
#08-01  
Singapore (049483)

Telephone : (65) 6419 2121

Facsimile : (65) 6419 2151; 64192113

**Principal place of business:**

Address: : 116, Neythal Road  
Singapore (628603)

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**9b. the nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group;**

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The principal activities of HUPSteel Group Limited and its Subsidiaries are the supply of structural steel products, pipes and fittings and sandblasting services. The Group aims to be the preferred global total solution provider of steel products and services by integrating services and product offerings to focus on customers' needs, while at the same time growing its business to better serve customers and therefore enhancing shareholder value.

The Subsidiaries of the Company and their principal activities as at the Latest Practicable Date are as follows:

<b>Name of Subsidiary</b>	<b>Principal Activities</b>	<b>Country of Incorporation</b>	<b>Equity Interest held by the Company (%)</b>
Hoe Seng Huat Pte. Ltd.	Hardware trading	Singapore	100%
Thong Seng Metal Pte Ltd	Hardware trading	Singapore	100%
Eastern Win Metals & Machinery Pte Ltd	Hardware and general merchandise and racking services	Singapore	100%
Hup Seng Huat Land Pte Ltd	Provision of logistic and warehouse services	Singapore	100%
Metal House Investment Pte Ltd	Property and investment holding	Singapore	100%
Sinip Steel Industries (S) Pte. Limited	Sand blasting	Singapore	100%
Pressure Products Sdn. Bhd	Hardware trading	Malaysia	100%

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## PART IV: KEY INFORMATION

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- 9c. the general development of the business from the beginning of the period comprising the 3 most recent completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as the case may be, since —
- (i) the end of the most recent completed financial year for which financial statements of the relevant entity have been published; or
  - (ii) the end of any subsequent period covered by interim financial statements, if interim financial statements have been published;
- 

### General development of the business of the group over the three most recent completed financial years

#### FY2004

As part of its hardware trading business expansion strategy, the Group completed the acquisition of the business of Hoe Seng Huat Hardware Company (Private) Ltd (*Hoe Seng Huat*) on 2 January 2004. Hoe Seng Huat supplies steel products which complement the Company's product range, and services the shipbuilding and repair, infrastructure and civil engineering industries across South East Asia.

#### FY2005

##### *Pipes, fittings and structural steel*

Fast growing demand for oil and escalating oil prices had been driving producers to step up both explorations and drilling activities. This resulted in HUPSteel Limited's customers which are internationally renowned shipyards receiving overwhelming orders to build oil rigs and related marine vessels. This surge in demand for rigs and marine vessels also provided opportunities for smaller local shipbuilders to break into the industry. As a result, there was a strong demand for steel products ranging from structural steel products to pipes and fittings needed for the construction of these structures. The impact of such an increase in demand was first experienced in FY2005 and continued well into FY2006. This increase in activities from these sectors in FY2005 drove up demand significantly in the midst of tight supply, causing prices of steel products to escalate rapidly. Plates required for the construction of marine vessels were in great demand in FY2005. This led to many shipyards stockpiling their inventory of plates and even procuring them directly from steel mills in order to meet tight delivery schedules. This coupled with a robust demand from the booming China economy induced steel mills to increase their production to improve supply. Consequently, there was considerable volatility in the prices of the Group's steel plates, one of the major products offered by the Group.

##### *Sandblasting, general hardware and properties*

With the boom in the local shipbuilding sector, the Group's sandblasting services offered through Sinip Steel Industries (S) Pte. Limited, one of the Group's subsidiaries also enjoyed brisk business throughout FY2005. Revenue for the Group's general hardware business also rose in tandem with the improvement in the local economy. Turnover for sandblasting services and general hardware for FY2005 rose nearly twofold to S\$6.7 million compared to S\$3.9 million for FY2004.

#### FY2006

For FY2006, the Group continued to benefit from a strong demand for steel products from the oil, gas and marine sectors. The Group, which carried a comprehensive range of structural steel products, pipes and fittings, was in a good position to meet customers' needs for steel products. Generally, both global and local factors had similar effects on the demand and supply of the Group's products as they essentially fall under the same class of materials. However certain products may be more extensively used by a particular sector and hence are

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## PART IV: KEY INFORMATION

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more susceptible to conditions arising from it, like structural steel plates for the ship building sector.

### *Pipes, fittings and structural steel*

The increase in the supply of plates was felt in the first half of FY2006 and the market was not able to absorb the additional quantity fast enough as most shipyards were still holding inventory. At the same time, the Chinese Government began to take steps to prevent its economy from overheating thereby further dampening the demand for steel. Although there were new shipbuilding contracts concluded, the market experienced a downward price correction for plates. This affected the Group's performance in the first 3 quarters of FY2006. Throughout this period, the shipyards continued to work through their stock in hand while mills adjusted their production and supply allocation. The Group took the precaution of decreasing its plates inventory to free resources and to wait for an opportune time to replenish its plate inventory. Market situation began to improve in the last quarter of FY2006 as the market had worked out its excess inventory and prices recovered gradually.

With the prices for all its categories of steel products higher than a year ago, the Group adopted a cautious approach in managing its inventories in order to minimize exposure to price fluctuation risks but at the same time ensuring that it would be able to meet the customers' requirements in a timely manner. However demand for the Group's pipe and fittings had remained stable in FY2006 in spite of price increases. As a result, business from pipe and fittings registered an increase in the turnover for FY2006 of 4% to S\$87.9 million from S\$84.6 million for FY2005.

### *Sandblasting, general hardware and properties*

Performance by the Group's properties business remained below average for FY2006 as prevailing conditions for property and property rental markets in Singapore had yet to recover in spite of stronger economy growth in 2006.

The Group embarked on the construction of a warehouse extension at its Neythal Road site which further added approximately another 5,000 square meters of storage space.

### **Material changes in the affairs of the group since the end of FY2006 to the Latest Practicable Date**

The Company issued 55,000 new shares at a price of S\$0.08 each, pursuant to its employee share option scheme, on 16 November 2006.

The Company also undertook a rights issue of up to 90,482,698 new ordinary shares at an issue price of S\$0.10 for each rights share, on the basis of one rights share for every four existing ordinary shares of the Company held by entitled shareholders. An option to elect to utilize the net bonus dividend to subscribe for the rights shares was also made available to the shareholders. The rights issue of 90,482,698 was fully subscribed and amount of S\$9,048,269.80 was transferred from the retained earnings of the Company to its share capital at the end of this exercise. These rights shares were listed on the Official List of the SGX-ST on 7 December 2006.

Save as disclosed above, there have been no material change to the affairs of the Group during the period from 1 July 2006 to the Latest Practicable Date.

**PART IV: KEY INFORMATION**

- 9d. the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing —**
- (i) **in the case of the equity capital, the issued capital; or**
- (ii) **in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of interest payable thereon;**

As at the Latest Practicable Date, the share and loan capital of the Company were as follows:

Issued and Paid-Up Share Capital	:	S\$68,371,150.80 divided into 452,396,488 Shares
Loan Capital	:	Not applicable.

- 9e. where —**
- (i) **the relevant entity is a corporation, the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date; or**
- (ii) **the relevant entity is not a corporation, the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the latest practicable date;**

The substantial shareholders of the Company and the number of Shares held by each of them, as extracted from the Register of Substantial Shareholders maintained by the Company pursuant to Section 88 of the Companies Act, as at the Latest Practicable Date is as follows:

Name	Direct Interest		Deemed Interest		Total	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Hennfa Investments Pte Ltd <sup>(3)</sup>	119,412,000	26.40	-	-	119,412,000	26.40
Lim Puay Koon <sup>(2)</sup> <sup>(3)</sup>	28,962,000	6.40	119,412,000	26.40	148,374,000	32.80
Lim Boh Chuan <sup>(1)</sup> <sup>(2)</sup> <sup>(3)</sup>	28,960,200	6.40	119,412,000	26.40	148,372,200	32.80
Lim Yee Kim <sup>(1)</sup> <sup>(3)</sup> <sup>(4)</sup>	25,903,800	5.73	119,412,000	26.40	145,315,800	32.13
Lim Kim Thor <sup>(1)</sup> <sup>(3)</sup>	24,589,200	5.44	119,412,000	26.40	144,001,200	31.84
Lim Kim Hock <sup>(1)</sup> <sup>(3)</sup>	22,703,400	5.02	119,412,000	26.40	142,115,400	31.42
Estate of Lim Pit Hong @ Lim Geok Hong, Deceased <sup>(3)</sup>	19,474,200	4.30	119,412,000	26.40	138,886,200	30.70
Lim Eng Chong <sup>(1)</sup> <sup>(3)</sup>	15,147,000	3.35	119,412,000	26.40	134,559,000	29.75
Estate of Lim Boon Wan, Deceased <sup>(1)</sup>	14,673,600	3.24	119,412,000	26.40	134,085,600	29.64
Machotech Pte Ltd <sup>(3)</sup>	-	-	119,412,000	26.40	119,412,000	26.40
Pey Choi <sup>(3)</sup>	-	-	119,412,000	26.40	119,412,000	26.40

**Notes**

- (1) The late Mr Lim Boon Wan was the father of Messrs Lim Kim Hock, Lim Kim Thor and Lim Eng Chong. The late Mr Lim Boon Wan was the uncle of the late Mr Lim Pit Hong and Mr Lim Yee Kim. He was also the grand uncle of Messrs Lim Boh Chuan and Lim Puay Koon.
- (2) Messrs Lim Boh Chuan and Lim Puay Koon are brothers. Messrs Lim Boh Chuan and Lim Puay Koon together hold 28.5% of the voting shares in Hennfa Investments Pte Ltd. By virtue of Section 7 of the Companies Act, Lim Boh Chuan and Lim Puay Koon are deemed to have an interest in the shares of the Company held by Hennfa Investments Pte Ltd.

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## PART IV: KEY INFORMATION

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- (3) Hennfa Investments Pte Ltd (*Hennfa*) is an investment holding company which is 23.5% owned by Machotech Pte Ltd (*Machotech*). Machotech is a business management and consultancy services company owned by Messrs Lim Yee Kim and Pey Choi equally. Pey Choi is the spouse of Lim Yee Kim. Machotech is thus deemed interested in the shares of Hennfa. The other shareholders of Hennfa are Pit Hong Holdings Pte. Ltd. (*Pit Hong*), Lim Kim Thor, Lim Kim Hock, Lim Eng Chong, Lim Boh Chuan, Lim Puay Koon. Pit Hong is an investment holding company which is held equally by Estate of Lim Pit Hong@Lim Geok Hong, Lim Beo Peng, Lim Han Leong and Lim Kok Seng.
- (4) Mr Lim Yee Kim and the late Mr Lim Pit Hong are brothers. As such, by virtue of Section 7 of the Companies Act, the late Mr Lim Pit Hong is considered an associate of Mr Lim Yee Kim and is deemed to have an interest in the shares of the Company held by Hennfa Investments Pte Ltd by virtue of the fact that Mr Lim Yee Kim has a deemed interest in Hennfa Investments Pte Ltd through his shareholding

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**9f. any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgement of the offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group;**

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As at the Latest Practicable Date, the Directors are not aware of any legal or arbitration proceedings to which the Company or any of its subsidiaries is a party or which is pending or contemplated, which, in the opinion of the Directors, may have or have had in the last 12 months before the date of lodgment of this Offer Information Statement, a material effect on the financial position or the profitability of the Group.

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**9g. where any securities or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date —**

(i) **if the securities or equity interests have been issued for cash, state the prices at which the securities have been issued and the number of securities or equity interests issued at each price; or**

(ii) **if the securities or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities or equity interests; and**

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The Company issued 55,000 new shares at a price of S\$0.08 each, pursuant to its employee share option scheme, on 16 November 2006.

The Company also undertook a rights issue of up to 90,482,698 new ordinary shares at an issue price of S\$0.10 for each rights share, on the basis of one rights share for every four existing ordinary shares of the Company held by entitled shareholders. An option to elect to utilize the net bonus dividend to subscribe for the rights shares was made available to the shareholders. The rights issue of 90,482,698 was fully subscribed and an amount of S\$9,048,269.80 was transferred from the retained earnings of the Company to its share capital at the end of this exercise. These rights shares were listed on the Official List of the SGX-ST on 7 December 2006.

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**9h. a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of 2 years immediately preceding the date of lodgement of the offer information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.**

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Save as disclosed below, neither the Company nor any of its subsidiaries has entered into any material contracts (not being contracts entered into in the ordinary course of business) during the 2 years preceding the Latest Practicable Date:—

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#### PART IV: KEY INFORMATION

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- (a) A management agreement dated 30 October 2006 between the Company and Overseas Chinese Banking Corporation (**OCBC**) bank pursuant to which OCBC was appointed the manager of the rights issue as mentioned in paragraph 9g above.
- (b) A service level agreement dated 30 October 2006 made between the Company and CDP pursuant to which CDP agreed to act as processing agent in relation to the Rights issue and the bonus dividend;
- (c) A mandate letter dated 5 July 2007 between the Company and Omega Capital Limited (**Omega**) pursuant to which Omega was appointed the manager of the placement of the new shares; and
- (d) Three separate subscription agreements dated 11 July 2007 between the Company and Lehman Brothers Commercial Corporation Asia Limited, Lion Capital Management Limited and UOB Asset Management Limited respectively, pursuant to which the Subscribers agreed to subscribe for an aggregate of 49,500,000 new ordinary shares of the Company at the Placement Price of S\$0.555 for each New Share for an aggregate consideration of S\$27,472,500.

**PART V: OPERATING AND FINANCIAL REVIEW AND PROSPECTS**

**Operating Results**

**1. Provide selected data from —**

- (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the 3 most recent completed financial years) for which that statement has been published; and
- (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.

S\$'000	----- Audited -----			----- Unaudited -----	
	FY2004	FY2005 <sup>(1)</sup>	FY2006	Q3 FY2006	Q3 FY2007
Revenue	106,984	197,819	186,202	134,507	197,283
Cost of Goods Sold	(73,445)	(151,686)	(148,749)	(110,038)	(154,570)
Other Operating Income	908	823	1,546	1,019	2,437
Staff Costs	(9,712)	(10,489)	(8,996)	(5,667)	(8,118)
Depreciation of Property, Plant and Equipment	(1,375)	(1,130)	(1,290)	(968)	(998)
Other Operating Expenses	(4,987)	(5,453)	(7,927)	(6,410)	(9,508)
Exceptional items	(231)	-	-	-	-
<b>Profit from Operations</b>	<b>18,142</b>	<b>29,884</b>	<b>20,786</b>	<b>12,443</b>	<b>26,526</b>
Finance (costs)/income – net	(397)	(2,609)	(957)	(871)	(1,345)
<b>Profit Before Tax</b>	<b>17,745</b>	<b>27,275</b>	<b>19,829</b>	<b>11,572</b>	<b>25,181</b>
Tax	(3,932)	(5,683)	(4,100)	(2,284)	(4,588)
<b>Profit from Ordinary Activities before Minority Interests</b>	<b>13,813</b>	<b>21,592</b>	<b>15,729</b>	<b>9,288</b>	<b>20,593</b>
Minority Interests	(7)	16	-	-	-
<b>Net Profit Attributable to Shareholders</b>	<b>13,806</b>	<b>21,608</b>	<b>15,729</b>	<b>9,288</b>	<b>20,593</b>
<b>Attributable to:</b>					
Equity holders of the Company	13,806	21,608	15,729	9,288	20,593
Minority interests	7	(16)	-	-	-
	<b>13,813</b>	<b>21,592</b>	<b>15,729</b>	<b>9,288</b>	<b>20,593</b>
Basic Earnings per Share (cents)	4.58	7.17	4.35	2.57	4.55
Gross Dividends declared per Share (cents)	1.50	3.00	5.125	-	0.5
Adjusted Earnings per Share <sup>(2)</sup> (cents)	3.94	6.15	3.82	2.26	4.10

**Notes:-**

- (1) In 2005, the Group changed its accounting year end from 31 July to 30 June. As such, the financial results for FY2005 were based on the 11-month period from 1 August 2004 to 30 June 2005.
- (2) Adjusted for 49,500,000 Placement Shares that were assumed to have been issued on the first day of each of the financial years.

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## PART V: OPERATING AND FINANCIAL REVIEW AND PROSPECTS

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2. The data referred to in paragraph 1 of this Part shall include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and shall in addition include the following items:
- (a) dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;
  - (b) earnings or loss per share; and
  - (c) earnings or loss per share, after any adjustment to reflect the sale of new securities.
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Noted in paragraph 1 above.

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3. In respect of —
- (a) each financial year (being one of the 3 most recent completed financial years) for which financial statements have been published; and
  - (b) any subsequent period for which interim financial statements have been published,

provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

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### Performance review for FY2005 vs FY2004

**Revenue** increased by 84.9% from S\$106.9 million in FY2004 to S\$197.8 million in FY2005. The increase was due to the spike in demand for steel products in the marine, oil and gas sectors as a result of increasing oil exploration activities. The greater oil exploration activities were triggered by a strong global demand for oil due to better economic growth. These exploration activities resulted in more demand for new oil rigs and many other supporting marine vessels which in turn generated demand for steel products which are the raw materials for the construction of these structures

FY2005 was also the first full year of revenue contribution from Hoe Seng Huat Pte. Ltd. (*Hoe*), a subsidiary that the Group acquired during FY2004. Hoe is involved in the supply of structural steel products which are the key raw material for the construction of oil rigs and marine vessels. As such, this timely acquisition had contributed substantially to the growth in the revenue of the Group in FY2004.

**Net profit after tax** rose to S\$21.6 million from S\$13.8 million, which was in line with the higher revenue recorded for FY2005.

**Cost of sales** increased by 106.5% from S\$73.4 million in FY2004 to S\$151.6 million in FY2005 which was in line with the increase in revenue.

**Other operating income**, comprising mainly investment income, decreased by 9.4% from S\$9.1 million in FY2004 to S\$8.2 million in FY2005.

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## PART V: OPERATING AND FINANCIAL REVIEW AND PROSPECTS

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**Finance costs** increased by 557.2% from S\$0.4 million in FY2004 to S\$2.6 million in FY2005. This was mainly attributable to an increase in borrowings in the form of trust receipts, as a result of an increase in the purchase of inventories.

### **Performance review for FY2006 vs FY2005**

**Revenue** decreased marginally by 5.8% from S\$197.8 million in FY2005 to S\$186.2 million in FY2006. The higher revenue in FY2005 could be attributed to increased purchases by shipyards to stockpile materials due to the large number of orders they had received and in the face of perceived supply shortages. However, in FY2006, the shipyards adjusted their purchasing pattern to take into consideration the market supply of steel products and rising prices. In addition, lower turnover for FY2006 was due to the lower selling prices of plates and the lower gross margin of 20.1% for FY2006 compared with 24.6% achieved in FY2005.

**Net profit after tax** for FY2006 decreased to S\$15.7 million from S\$21.6 million for FY2005. The net profit margin was 8.4% compared to 10.9% in FY2005. The net profit after tax for FY2005 was exceptional as selling prices rose rapidly during the course of that year and part of the Group's stocks was carried at a lower cost.

**Cost of sales** decreased by 1.9% from S\$151.6 million in FY2005 to S\$148.7 million in FY2006 which decreased in line with lower revenue and lower costs.

**Other operating income**, comprising mainly investment income, increased by 87.8% from S\$0.8 million in FY2005 to S\$1.5 million in FY2006.

**Finance costs** decreased by 63.3% from S\$2.6 million in FY2005 to S\$0.9 million in FY2006. This was in line with the lower borrowings during the year as the Group reduced its borrowings which were mainly in the form of trust receipts as they fell due and due to reduced inventories purchased during FY2006.

### **Performance review for Q3 FY2007 vs Q3 FY2006**

**Revenue** of S\$197.3 million, approximately 46.7% increase over the revenue of S\$134.5 million for Q3 FY2006 and exceeded the total revenue of S\$186.2 million recorded for FY2006. The strong revenue reported was a reflection of the continued robust demand from the marine, oil and gas sectors that the Group had been serving. The revenue also included increasing demand from the recovery in the construction sector.

**Net profit after tax** for the 9 months ended 31 March 2007 was reported at S\$20.6 million which was 121.7% higher than the S\$9.3 million recorded for the same period in FY2006. The higher net profit after tax was also attributable to the two percentage point reduction in the tax rates in Singapore.

**Cost of sales** increased by 37.7% from S\$110.0 million in Q3 FY2006 to S\$151.6 million in Q3 FY2007 which was in line with higher revenue.

**Other operating income**, comprising mainly investment income, increased by 139.2% from S\$1.0 million in Q3 FY2006 to S\$2.4 million in Q3 FY2007 due to a one time dividend received from an early redemption of a bond held by the Company.

**Finance costs** increased by 54.4% from S\$0.8 million in Q3 FY2006 to S\$1.3 million in Q3 FY2007. This was in line with the higher revenue and cost of sales.

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**PART V: OPERATING AND FINANCIAL REVIEW AND PROSPECTS**

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**Financial Position**

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4. Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of —
- (a) the most recent completed financial year for which audited financial statements have been published; or
  - (b) if interim financial statements have been published for any subsequent period, that period.
5. The data referred to in paragraph 4 of this Part shall include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and shall in addition include the following items:
- (a) number of shares after any adjustment to reflect the sale of new securities;
  - (b) net assets or liabilities per share; and
  - (c) net assets or liabilities per share after any adjustment to reflect the sale of new securities.
- 

S\$'000	30 June 2006 (audited)	31 March 2007 (unaudited)
<b>Current assets</b>		
Cash and cash equivalents	11,200	12,909
Trade and other receivables	53,629	76,840
Inventories	44,425	60,960
Other current assets	212	396
	109,466	151,105
<b>Non-current assets</b>		
Other receivables	6	1
Available-for-sale financial assets	11,363	8,452
Club membership	61	60
Property, plant and equipment	32,949	34,424
Goodwill	4,630	4,630
Deferred income tax assets	38	38
	49,047	47,605
<b>Total Assets</b>	<b>158,513</b>	<b>198,710</b>
<b>Current liabilities</b>		
Trade and other payables	10,238	10,522
Current tax liabilities	3,803	4,761
Borrowings	17,669	45,750
	31,710	61,033
<b>Non current liabilities</b>		
Borrowings	33	22
Provision for directors' retirement gratuity	818	864
Deferred income tax liabilities	137	136
	988	1,022
<b>Total Liabilities</b>	<b>32,698</b>	<b>62,055</b>
<b>Net Assets</b>	<b>125,815</b>	<b>136,655</b>

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**PART V: OPERATING AND FINANCIAL REVIEW AND PROSPECTS**

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<b>S\$'000</b>	<b>30 June 2006 (audited)</b>	<b>31 March 2007 (unaudited)</b>
<b>Equity</b>		
Share capital	59,317	68,370
Capital reserve	(477)	(477)
Foreign currency translation reserve	(598)	(541)
Fair value reserve	1,917	1,602
Retained earnings	65,656	67,701
Interest of shareholders of the Company	125,815	136,655
<b>Total equity</b>	<b>125,815</b>	<b>136,655</b>
No of shares before placement	452,396,488	452,396,488
Net assets per Share (cents) before placement	27.81	30.21
No of shares to be placed	49,500,000	49,500,000
Number of Shares after placement	501,896,488	501,896,488
Net proceeds, estimated	26,991,731	26,991,731
Adjusted net assets, estimated	152,806,731	136,646,731
Net assets per Share after placement (cents)	30.45	32.61

#### **FY2006**

Current assets of the Group stood at S\$109.5 million and were made up mainly of trade receivables and inventories with balances at S\$53.4 million and S\$44.4 million respectively. Trade receivables of S\$53.4 million were only slightly lower than S\$55.1 million for FY2005 as a result of strong sales made in the 4th quarter of FY2006. Inventories' balance fell 34.1% to S\$44.4 million in FY2006 from S\$67.5 million in FY2005 as a result of the Group's initiative to run down its stock holding of plates.

Current liabilities of the Group decreased to S\$31.7 million in FY2006 from S\$72.7 million in FY2005. This reduction arose mainly from the much lower balance of borrowings of S\$17.7 million at the end of FY2006 (FY2005: S\$58.8 million). The borrowings were essentially made up of trust receipts incurred in the normal course of business. With the plates' prices experiencing considerable fluctuations during most part of FY2006, the Group had exercised caution in replenishing the products while paying down trust receipts that were due. This was made possible by the positive cash flow generated from the Group's operating activities.

Following the implementation of the various Financial Reporting Standards, long term equities and bonds held by the Group are now grouped as 'Available for sale financial assets' and are marked to market value at the balance sheet date. Any excess of market value above costs is taken to the Fair Value Reserve account in the balance sheet. Another significant change resulting from the amendment to the Companies Act, effective in January 2006, was the abolishment of the par value concept of shares and the elimination of the Share Premium Account. As a result, the amount in the Share Premium Account was consolidated into the Share Capital Account.

#### **Q3 FY2007**

Current assets for the 9 months ended 31 March 2007 rose to S\$151.1 million from S\$103.2 million recorded for Q3 FY2006. Both trade receivables and inventories balances continue to increase compared to the last financial year, as a result of higher revenue recorded and inventories stocking activities. More stock was purchased during the period in anticipation of strong demand and longer lead time needed by the mills to make deliveries.

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**PART V: OPERATING AND FINANCIAL REVIEW AND PROSPECTS**

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Current liabilities for Q3 FY2007 also rose from S\$32.2 million to S\$61.0 million mainly due to higher borrowings for the purchase of inventories. Borrowings rose to S\$45.7 million from S\$21.9 million and were in the form of trust receipts.

**Liquidity and Capital Resources**

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6. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of —
- (a) the most recent completed financial year for which financial statements have been published; and
- (b) if interim financial statements have been published for any subsequent period, that period.
- 

	Audited	Unaudited
	FY2006	Q3
	S\$'000	FY2007
		S\$'000
<b>Cash from operating activities:</b>		
Profit before income tax	15,729	20,593
Adjustments for:-		
Tax	4,100	4,588
Provision for directors' retirement gratuity	61	47
Depreciation	1,290	998
(Profit) / Loss on disposal of Property, plant and equipment	(2)	22
Loss on disposal of subsidiary	26	-
(Gain) / Loss on disposal of investments	-	(473)
Allowance for doubtful trade receivables	572	113
Allowance for slow moving inventories	(1,509)	4
Allowance for trade receivables written back	(331)	-
Inventories written off	-	2
Interest income	(243)	(180)
Interest expense	1,352	1,184
Dividend income	(458)	(1,150)
Foreign currency translation	(107)	54
<b>Operating cash flow before working capital changes</b>	<b>20,480</b>	<b>25,802</b>
Changes in working capital		
Inventories	24,550	(16,541)
Trade and other receivables	1,400	(23,326)
Trade payables and other payables	1,416	91
Other current assets	129	(182)
<b>Cash generated from operations</b>	<b>47,975</b>	<b>(14,156)</b>
Income tax paid	(5,444)	(3,637)
Interest received	243	177
Net cash generated from / (used in) operating activities	<u>42,774</u>	<u>(17,616)</u>
<b>Cash flow from investing activities:</b>		
Purchase of property, plant and equipment	(429)	(2,547)
Proceeds from disposal of property, plant and equipment	5	52

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**PART V: OPERATING AND FINANCIAL REVIEW AND PROSPECTS**

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	<b>Audited</b>	<b>Unaudited</b>
	<b>FY2006</b>	<b>Q3</b>
	<b>S\$'000</b>	<b>FY2007</b>
		<b>S\$'000</b>
Repayment of staff loans	20	17
Purchase of investments	(42)	-
Proceeds from disposal of investments	43	3,071
Dividend received from other quoted investments	458	1,150
 Net cash generated from investing activities	 55	 1,743
 <b>Cash flow from financing activities:</b>		
Dividend paid to shareholders	(7,236)	(9,495)
Payment under term loan	(5,000)	-
Payment under trust receipts	(127,151)	-
Proceeds from trust receipts	89,711	28,084
Payments under finance lease obligations	(14)	(14)
Interest paid	(1,352)	(993)
 Net cash (used in) / generated from financing activities	 (51,042)	 17,582
 Net (decrease) / increase in cash and cash equivalents	 (8,213)	 1,709
Cash and cash equivalents at beginning of financial year	19,413	11,200
 <b>Cash and cash equivalents at end of financial year</b>	 <b>11,200</b>	 <b>12,909</b>

**FY2006**

**Net cash flow from operating activities** was S\$42.8 million in FY2007 which is mainly attributable to decrease of inventories of S\$24.5 million.

**Net cash from investing activities** is S\$0.05 million, which was mainly attributable to dividend received from quoted investments of S\$0.46 million which was set off partly by the purchase of plant and equipment amounting to S\$0.43 million.

**Net cash used in financing activities** was S\$51.0 million in FY2006 which was mainly due to payment of trust receipts and dividend paid to shareholders of S\$89.7 million and S\$7.2 million respectively, which was set off by the increase in trust receipts of S\$127.1 million.

**Cash and cash equivalents** was S\$11.2 million as attributable to the above mentioned factors.

**Q3 FY2007**

**Net cash flow used in operating activities** was S\$17.6 million which was mainly due to an increase in inventories of S\$16.5 million and trade and other receivables of S\$23.3 million.

**Net cash from investing activities** is S\$1.7 million which was mainly due to the proceeds from the disposal of quoted securities and dividend received by other quoted investments of S\$4.2 million which was partly set off by costs relating to the construction of the warehouse extension and purchase of equipment amounting in total of S\$2.5 million.

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## PART V: OPERATING AND FINANCIAL REVIEW AND PROSPECTS

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**Net cash generated from financing activities** was approximately S\$17.6 million in Q3 FY2007 which was mainly attributable to increase in trust receipts of S\$28.1 million which was partially set off by payment of dividend to shareholders amounting to S\$9.5 million.

**Cash and cash equivalents** was S\$12.1 million in Q3 FY2007 which was due to the abovementioned factors.

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7. **Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgment of the offer information statement, is sufficient for present requirements and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided.**
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The Directors confirm that, in their reasonable opinion, after taking into account the Group's internal resources, operating cashflow and present banking facilities, the working capital available to the Group is sufficient to meet the Group's present requirements.

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8. **If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities in the relevant entity, provide —**
- (a) **a statement of that fact;**
  - (b) **details of the credit arrangement or bank loan; and**
  - (c) **any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).**
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To the best knowledge of the Directors at the Latest Practicable Date, the Directors are not aware of any breach by any entity in the Group of any terms and conditions or covenants associated with any credit arrangement or bank loan, which could materially affect the Group's financial position and results or business operations, or the investments by holders of securities in the Group.

### **Trend Information and Profit Forecast or Profit Estimate**

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9. **Discuss, for at least the current financial year, the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, as well as any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.**
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Save as disclosed below and in this Offer Information Statement, the latest financial statements for FY2006 and in the announcements, the Directors are not aware of any known trends, uncertainties, demands, commitments or events of the current financial year, being FY2007, that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in the Offer Information Statement to be not necessarily indicative of the future operating results or financial condition of the current financial year. In respect of the performance of the Group for the current financial year and save as disclosed, the Directors are not aware of any

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## PART V: OPERATING AND FINANCIAL REVIEW AND PROSPECTS

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factors relating to the business and financial prospects of the Group and/or trends that will have a material effect on the financial condition and operating results.

### ***The Group is affected by fluctuations in steel prices***

As a distributor of steel products, the Group purchases a wide range of steel products and maintains substantial inventories in order to be in a position to fulfil customers' orders within a short lead time. Typically, the Group's customers do not carry all the required steel products themselves due to the high carrying cost and storage space required. The cost of steel products purchased is the main component of the Group's cost of sales for its steel distribution business. Therefore, the Group is vulnerable to any fluctuations in prices of steel. Steel prices rise and fall depending on the demand and supply of steel which are affected by many factors beyond its control, including the general state of the global economy, the level of industrial development worldwide, in particular within the Asia-Pacific region, competition, industrial productivity levels, imposition of import duties/levies, and foreign currency fluctuations. Any increase in the price of steel caused by the aforesaid factors will increase the Group's cost of sales as well as the Group's carrying cost for maintaining its inventories. To the extent that the Group is unable to pass on any increase in its cost to its customers, the Group's profitability will be materially and adversely affected.

### ***The Group is affected by fluctuations in industrial hardware product prices***

The Group stocks a wide range of structural steel products, steel pipes and other accessories to cater to the needs of its customers. The Group currently sources its structural steel products, pipes and fittings from global manufacturers. Prices of these steel products are subject to international price fluctuations of steel. Any significant fluctuation in the price of steel will affect the Group's cost of purchase and bottom line.

### ***The Group faces high inventory holding costs***

Typically, the Group receives purchase orders from its customers at short notices. The Group does not have any substantial long-term contracts with its customers and thus, are not able to predict their requirements. On the other hand, its suppliers normally take up to three to four months from the order date to deliver the products. With the short lead time given by its customers and the relatively longer delivery times required by its suppliers, the Group needs to place advance orders with a view to securing a continuous supply of substantial and varied steel products to meet the needs of the Group's diverse customer base and provide just-in-time delivery. The Group's inventories accounted for 43.4%, 47.4%, 40.5% and 40.3% of its current assets for FY2004, FY2005, FY2006 and Q3 FY2007 respectively. The longer the Group's inventories are held, the higher the costs of holding these inventories. In the event that the Group is unable to maintain its revenue or profit margins due to a fall in the prices of steel products and/or decrease in demand for steel products, or if its financing costs for inventories increase, its financial position will be materially and adversely affected.

The nature of the Group's products is such that its inventories do not have a definite shelf life, and the Group does not experience any material obsolescence of inventories. However, there is no assurance that it will not write down the stock value of its inventories in the future.

### ***The Group may be affected by political instability or economic downturn in the countries to which it exports***

In FY2006, exports accounted for 28.1% of the Group's revenue as compared to 37.3% in FY2005. The major countries to which the Group currently exports are mainly Asian countries such as Malaysia, Thailand and Indonesia. As such, any political instability or economic downturn in these countries will adversely affect the sales and hence profitability of the Group.

The Group recognises the importance of market diversification and its ongoing strategy is to entrench its current market position in Southeast Asian markets and to further expand beyond its existing geographical coverage.

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## PART V: OPERATING AND FINANCIAL REVIEW AND PROSPECTS

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### ***The Group is exposed to credit risk of its customers***

The Group extends credit terms ranging from 30 to 90 days to its customers, depending on their credit worthiness. From time to time, in the ordinary course of business, certain customers may default on their payment. Such events may arise due to the inherent risk from its customers' business, risk pertaining to the political, economic, social and legal environment of its customers' jurisdictions and foreign exchange risk. As a result of its customers defaulting on their payments, the Group would have to make allowances for doubtful debts or incur write-offs, which may have an adverse impact on its profitability.

### ***The Group may be affected by foreign exchange exposure***

The purchases of the Group are mainly denominated in US\$ and its sales are mainly denominated in S\$ and RM. The Group is exposed to fluctuations in foreign exchange rates particularly as its sales and purchases are denominated in different currencies. For FY2006, approximately 83% of its total purchases were made in US\$, whilst approximately 90% and 5% of its total sales were denominated in S\$ and RM (which is pegged to US\$) respectively. Hence, the Group will be exposed to any significant fluctuation of the US\$.

### ***The Group is affected by cyclical movements in the industries that its customers operate in, in particular, the marine oil and gas and engineering industries***

Although the Group is not overly dependent on any one customer, for the last three financial years of FY2004, FY2005 and FY2006 (as the case may be), the bulk of its revenue was derived from customers engaged in marine, oil and gas and engineering industries.

For FY2006, approximately 70% of the Group's revenue was derived from customers engaged in marine, oil and gas and engineering activities. From time to time, different industries experience slowdowns due to cyclical fluctuations or a decline in the general economic conditions. The Group expects the cyclical trends to continue in the future. In the event that there is a downturn in the industries that its customers operate, the demand for the steel products and services could decline, and this could materially affect its operating results.

However, the stable, strong demand for the Group's products during Q3 FY2007 from customers in the oil and gas and marine sectors, is expected to continue through to Q4 F2007. At the same time, the anticipated pick up in demand from the construction sector is showing clear signs of stepping up. This is in line with the recovery in Singapore's construction industry, in tandem with strong economic growth, the surge in property development projects and the Singapore government's latest commitments on infrastructure building including initiatives to support Singapore's integrated resorts and population growth.

### **Trend information**

The outlook for FY2008 is expected to be driven by demand from across three sectors, namely, oil and gas, marine and construction, which will underpin total revenue and profits for the Group going forward, barring unforeseen circumstances in its external operating environment. With strong global demand and tight production schedules at steel mills worldwide, the supply of steel products is expected to remain tight.

For FY2008, the demand for structural steel products in Singapore will be driven by the commencement of major construction projects, for example the integrated resorts and other tourism-supporting and infrastructure projects such as the Marina Bay Financial Centre, Sports Hub and MRT networks.

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- 10. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.**
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Not applicable.

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**PART V: OPERATING AND FINANCIAL REVIEW AND PROSPECTS**

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- 11. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.**
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Not applicable.

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- 12. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 11 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.**
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Not applicable.

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- 13. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part —**
- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or**
  - (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.**
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Not applicable.

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- 14. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 12 of this Part —**
- (a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or**
  - (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 11 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.**
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Not applicable.

**Significant Changes**

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15. **Disclose any event that has occurred from the end of —**
- (a) **the most recent completed financial year for which financial statements have been published; or**
  - (b) **if interim financial statements have been published for any subsequent period, that period, to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate negative statement.**
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Save as disclosed in this Offer Information Statement, the Directors are not aware of any event which has occurred since 1 July 2006 up to the Latest Practicable Date which may have a material effect on the financial position and results of the Group provided in its audited financial statements for FY2006 published by the Company on 2 October 2006 and unaudited financial statements for Q3 FY2007 published by the Company on 7 May 2007.

**Meaning of "published"**

In this Part, "published" includes publication in a prospectus, in an annual report or on the SGXNET.

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**PART VI: THE OFFER AND LISTING**

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**Offer and Listing Details**

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- 1. Indicate the price at which the securities are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgment of the offer information statement, the method by which the offer price is to be determined must be explained.**
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Placement price : S\$0.555 for each Placement Share  
Expense specifically charged to the Subscribers : The Subscribers shall each pay to the Manager a subscription commission of up to one per cent (1.0%) of the Placement Price for each Placement Share.

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- 2. If there is no established market for the securities being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.**
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Not applicable.

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- 3. If —**
- (a) any of the relevant entity's shareholders or equity interest-holders have preemptive rights to subscribe for or purchase the securities being offered; and**
  - (b) the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived,**
- indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.**
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Not applicable.

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- 4. If securities of the same class as those securities being offered are listed for quotation on any securities exchange —**
- (a) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities —**
    - i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and**
    - ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or**
  - (b) in a case where the first-mentioned securities have been listed for quotation on the securities exchange for less than 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities —**
    - i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and**
    - ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;**
  - (c) disclose any significant trading suspension that has occurred on the securities**
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**PART VI: THE OFFER AND LISTING**

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exchange during the 3 years immediately preceding the latest practicable date or, if the securities have been listed for quotation for less than 3 years, during the period from the date on which the securities were first listed to the latest practicable date; and

- (d) disclose information on any lack of liquidity, if the securities are not regularly traded on the securities exchange.

- (a) The price range and volume of the Shares traded on the SGX-ST over the last 12 months immediately preceding the Latest Practicable Date are as follows:

Month	Price Range		Total Volume
	High (S\$)	Low (S\$)	No. of Shares
July 2006	0.280	0.235	172,000
August 2006	0.335	0.245	3,626,000
September 2006	0.345	0.325	3,969,000
October 2006	0.385	0.340	8,955,000
November 2006	0.315	0.260	3,895,000
December 2006	0.285	0.255	4,681,000
January 2007	0.375	0.280	18,878,000
February 2007	0.445	0.350	20,985,000
March 2007	0.530	0.345	30,675,000
April 2007	0.640	0.505	40,713,000
May 2007	0.660	0.560	22,712,000
June 2007	0.630	0.560	11,457,000
1 July 2007 to the Latest Practicable Date	0.725	0.570	35,027,000

*Source: Bloomberg*

- (b) The Shares have been listed on the SGX-ST since 4 February 1994.
- (c) There has been no significant trading suspension of the Shares on the SGX-ST during the three years immediately preceding the Latest Practicable Date.
- (d) Please refer to paragraph 4(a) of Part VI of this Offer Information Statement for the volume of Shares traded during each of the last 12 calendar months immediately preceding the Latest Practicable Date and for the period from 1 July 2007 to the Latest Practicable Date.

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**PART VI: THE OFFER AND LISTING**

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5. **Where the securities being offered are not identical to the securities already issued by the relevant entity, provide —**
- (a) **statement of the rights, preferences and restrictions attached to the securities being offered; and**
  - (b) **an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities, to rank in priority to or *pari passu* with the securities being offered.**
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The Placement Shares are identical to the securities existing as at the existing date of issue of the Placement Shares and, when issued, shall rank *pari passu* in all respects with such Shares save that they shall not rank for any entitlements, dissolution, dividends or rights (if any), the record date in respect of which falls prior to the date of issue of the Placement Shares.

**Plan of Distribution**

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6. **Indicate the amount, and outline briefly the plan of distribution, of the securities that are to be offered otherwise than through underwriters. If the securities are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.**
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All the Placement Shares will be offered to the Subscribers pursuant to the Subscription Agreements dated 11 July 2007, entered into between the Company and the Subscribers.

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7. **Provide a summary of the features of the underwriting relationship together with the amount of securities being underwritten by each underwriter.**
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Not applicable.

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**PART VII: ADDITIONAL INFORMATION**

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**Statements by Experts**

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- 1. Where a statement or report attributed to a person as an expert is included in the offer information statement, provide such person's name, address and qualifications.**
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Not applicable.

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- 2. Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert —**

- (a) state the date on which the statement was made;**
  - (b) state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and**
  - (c) include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.**
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Not applicable.

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- 3. Where the offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert —**

- (a) state the date on which the statement was made;**
  - (b) state whether or not it was prepared by the expert for the purpose of incorporation in the offer information statement; and**
  - (c) include a statement that the expert has given, and has not withdrawn, his written consent to the issue of the offer information statement with the inclusion of the statement in the form and context in which it is included in the offer information statement.**
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Not applicable.

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**Consents from Issue Managers and Underwriters**

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- 4. Where a person is named in the offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in the offer information statement as the issue manager or underwriter, as the case may be, to the offer.**
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Omega Capital Limited, as the Manager, has given and has not withdrawn its consent to being named in this Offer Information Statement and references to its name in the form and context in which it appears in this Offer Information Statement and to act in such capacity in relation to the Offer Information Statement.

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**PART VII: ADDITIONAL INFORMATION**

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**Other Matters**

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5. **Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly —**
- (a) the relevant entity's business operations or financial position or results; or**
  - (b) investments by holders of securities in the relevant entity.**
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Save as disclosed elsewhere in this Offer Information Statement, the Directors are not aware of any other matters which could materially affect, directly or indirectly, the Company's business, operations or financial position or results, or investments by holders of securities in the Company.

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**PART VIII:  
ADDITIONAL INFORMATION REQUIRED FOR  
OFFER OF DEBENTURES OR UNITS OF DEBENTURES**

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Not applicable.

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**PART IX:  
ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES**

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Not applicable.

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**PART X:  
ADDITIONAL INFORMATION REQUIRED FOR  
OFFER OF SECURITIES BY WAY OF RIGHTS ISSUE**

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Not applicable.

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Offer Information Statement and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Offer Information Statement are fair and accurate in all material respects as at the date of this Offer Information Statement and there are no material facts the omission of which would make any statement in this Offer Information Statement misleading in any material respect. Where information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Offer Information Statement.

Dated this 18<sup>th</sup> day of July 2007

For and on behalf of

**HUPSTEEL LIMITED**

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**LIM KIM THOR**  
CEO

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**LIM BOH CHUAN**  
Deputy Managing Director

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**LIM YEE KIM**  
Director

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**LIM ENG CHONG**  
Director

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**TANG SEE CHIM**  
Non-Executive Chairman

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**LIM PUAY KOON**  
Director

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**LIM BEO PENG**  
Director

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**ONG KIAN MIN**  
Director

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**LIM CHEE SAN**  
Director

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**CHAN KAM LOON**  
Director